

INSIDE: OTTAWA'S PLANS FOR A GIANT SHIP

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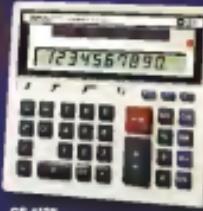
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CANADA'S WEEKLY NEWSMAGAZINE

Maclean's

AUGUST 28, 1988 VOL. 89 NO. 33

COVER

Britain's goodbye?

The Commonwealth meeting in London brought to a head one of the most serious crises in the association's history, putting Britain against its former possessions over the issue of motions against South Africa. The souvent raised question about whether other nations, including Canada, may step into a leadership vacuum left by Britain. —Page 34



Paying for the Arctic

Ottawa is about to decide the fate of a proposed \$450-million redeveloper to build northern sovereignty, but some critics say it would be a waste of money. —Page 8

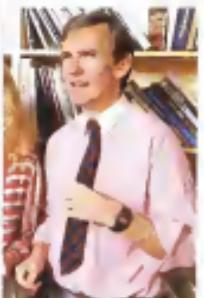


Taking Toronto at 26
Valerie Bertinelli, who grew up on TV's *One Day at a Time*, now stars as the ambitious Max in the TV mini-series *JV: Tales of Metropolis* being filmed in Toronto —Page 46



Buying on borrowed cash

With sales of mutual funds booming, more and more naive investors are borrowing money to buy into the funds—and the consequences could be dangerous. —Page 30



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The market for business books is hot. In fact, authors are negotiating record advances for their accounts of money, power and boardroom politics. —Page 46

LETTERS

A native crisis

I never realized the full extent of the crisis facing the Indian people of Canada until reading your article "A Canadian Tragedy" (Cover/Special Report, July 14). I am saddened that the situation has been allowed to deteriorate and enraged that both provincial and federal governments are not proceeding adequate programs to head off potential disaster. How many more young Indians will have to die tragic deaths like those six at Pierless Lake before the suffering of these people is recognized and alleviated?

—ROSALIE KEMPPE
Berwyn, IL

I am deeply appprehensive after reading your excellent Special Report, "A Canadian Tragedy." The crisis facing Indians, Métis and Inuit communities is often inadequately addressed under our present system. Issues such as land claims, aboriginal rights, self-government and other concerns require adjustments and long-term strategies and plans. Elected and appointed officials tend to select short-term expedient means to avoid responsibility. The media have a crucial role in ensuring that federal and provincial politicians and bureaucrats are more accountable for their part in contributing to this tragedy.

—ALAN CLARKE
Ottawa

I read the article about the fatal drinking party in Pierless Lake at which six Indians died from drinking depleting fluid, and learned frustration, anger and sadness trickled down my face. We wrote



Natives at Pierless Lake, Ontario

the Indians' land and killed, tortured and enslaved them. In addition, we continually gave them small pox and, because they had no immunity, thousands of Indians died. We also robbed them of their religion and tried to take away their identity. However, the Indians managed to survive, and I know they will continue to fight to keep their culture and identity alive.

—LINDA MAYER,
Maple Ridge, B.C.

Wildlife amid urbanization

Your statement that thousands of native peoples are "no longer able to hunt and trap in the northwooded backyards, feather-nesters and drilling rigs have moved off the moose and deer and moose" is both wrong and misleading ("A Canadian tragedy," Cover/Special Report, July 14). As an former director of wildlife for Ontario, I can assure you that wildlife will coexist not only with development but even with outright urbanization. There are wild deer living within 10 km of your downtown Toronto headquarters, as many small wild mammals in the city that an extensive anti-trap program is under way, and even an abundance of mammals in the remaining natural areas. The fact is that in the North, development, especially logging, often results in a reduced habitat and thus an increase in the amount of wildlife, particularly deer and moose. Your statement that the wildlife has been "scared off" reflects a truly awesome urban ignorance of ecology. It may be true that native people depended less on hunting than they did years ago. It may also be true that the state of native affairs is a Canadian tragedy. But there's another Canadian tragedy that deserves attention—and that is the misinformation about natural resources that appears in such places as your magazine.

—DOUGLAS ROMERSON,
Toronto

PASSAGES

DIED: Roy Cohn, 80, the brilliant but controversial lawyer who gained fame as chief counsellor for Senator Joseph McCarthy during the U.S. Communist witch-hunts of the 1950s, died yesterday after suffering a heart attack. In 1954, as a congressional committee investigating communism in the U.S. army, Cohn became one of the world's most visible figures during the televised 1954 hearings into the alleged Communist infiltration of the U.S. army. More recently he gained infamy because of links to underworld figures. Last June, a panel of New York judges found him guilty of dishonesty, fraud, deceit and misrepresentation and disbarred him.

DIED: William Schroeder, 54, the longest living permanent artificial heart recipient, after suffering a series of strokes since the Jarvik-7 heart was implanted in his chest on Nov. 22, 1984, on Louisville, Ky. On March 26, 2005, Schroeder marked his 132nd day with his new heart, equalling the time of the first permanent artificial heart recipient, Barney Clark, who died in 1983.

AWARDED: To Penthouse International vice-chairman and Owner magazine president Kathy Kotter, \$12.76 million in damages following a \$160,000 lawsuit against Hunter magazine and its publisher, Larry Flynt, by a U.S. District Court jury, in Concord, N.H. Kotter had sued Flynt and Penthouse for \$22.5 million, claiming that since 1975 Flynt had been publishing material that maligned her, including a cartoon that suggested she had contracted a venereal disease from Penthouse magazine publisher Bob Guccione, with whom she lives.

DIED: Horatio Somers, 80, a former assistant to legendary Canadian doctor Norman Bethune, after a lengthy illness, in Vancouver. During the Spanish Civil War, Somers acted as interpreter and field aide to Bethune while Bethune supplied blood and performed operations for the army of the Republic. During his career, Somers also worked for Canadian naval intelligence, the Canadian ministry of foreign affairs and the international service of the UN.

GRANTED: Asylum to former Central Intelligence Agency agent Edward Lee Howard, 83, who disappeared from his Santa Fe, N.M., home last year before the Federal Bureau of Investigation charged him with espionage by the Soviet Union. The man claimed that information Howard allegedly sold to the Soviets for \$8,300 damaged the CIA's operations in Moscow and led the Soviets to arrest and execute a Soviet CIA contact.

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Patrolling the Arctic

On paper, the ship is magnificent. An artist's scale rendering shows her graceful red hull, swooshing elegantly through an Arctic sea field. Anchored, large red maple leaves are embossed on twin smokestacks and a Canadian flag flutters from a mast high above the deck. Taped hopefully to the door of a 12th-floor Ottawa office, the illustration is a source of pride for a case-oblivious arm of the Canadian Coast Guard. The eight-member staff of the Polar Icebreaker Project have labored for more than 15 years designing a modern vessel, almost as long as a day block and as wide as a football field, to patrol Canada's Arctic waters. Now, the federal cabinet is expected to decide within weeks to go ahead with the project or to abandon it altogether.

A full year has passed since the U.S. Coast Guard icebreaker *Polar Sea* crashed uninvited through the Northwest Passage. But the Conservative government remains divided over whether to pay the huge cost of asserting its sovereignty in the Arctic with a polar icebreaker of its own. Proponents say that if the ship is built, Canada will have the largest and most fearsome icebreaker in the world. Detractors say that the government can't afford it, and are gambling on a staggering \$65 million on the wrong horse.

The voyage of the *Polar Sea* last August caught an unprepared Canadian government unprepared for any meaningful defense of its claim that it owns and controls the 13,337 islands in the Arctic archipelago and the waters that surround them. Ottawa's initial reaction to the ship's 10-day, 3,000-mile voyage in waters claimed by Canada triggered Canadian nationalism and created a furor in the Commons. As a result, External Affairs Minister Joe Clark announced last September that Canada would defer its Arctic ser-

vice by drawing a boundary enclosing the entire archipelago, by applying Canadian civil and criminal laws in Arctic waters—and by building an icebreaker capable of operating year-round in the Arctic. Although the ship would be costly, Clark told the Commons, "This government is not about to concede

the issues enunciated. "Icebreakers have little security value; satellites or aircraft are more effective for reconnaissance and aircraft can most easily dispose of any hostile surface vessel." While the committee recognized the "importance" of a polar icebreaker, it eventually opened up the Northwest Passage to commercial traffic, it suspended judgment on whether the costly measure was needed now.

Despite Clark's bold defense of Arctic sovereignty at any cost, cabinet deliberations as the issue have stalled over the issue of funding. A senior External Affairs official said it was unlikely that the department would pay a major share. "If you want to look at the Revenue hedge," he said, "maybe we could afford the steering wheel."

However, Pierre Beatty, the newly appointed defense minister, is also reluctant to have his department bear the cost, a defense official told Maclean's. The official said that the minister believes the icebreaker could drain too large an amount of funds from other programs. In July Beatty unveiled plans to put a moratorium on new submarine programs from 1996 to 1998, and last week he announced a 10-year, \$5-billion plan to replace all Sea King submarine tracking stations with new short-horn aircraft. While the diesel-powered冰破者 would have enough range in the Arctic because they can travel underwater for only two days, the department is also nervous: a potential rival in the icebreaker market—submarines capable of spending months under the ice fields. The most likely scenario is that several departments will share the cost of the icebreaker, including the transport department, which has direct responsibility for the Coast Guard.

The Coast Guard's icebreaker was first proposed by the Liberal govern-

ment in 1971 after the American tanker *Manhattan* traversed the Northwest Passage in 1969 and 1970, sparking an earlier crisis over Arctic sovereignty. By 1975 the Coast Guard had designed a 90,000-horsepower icebreaker, only to receive the blueprint in 1978 when the government approved design of a nuclear icebreaker. By 1981, with Arctic research development slowing and the *Manhattan* voyage a distant memory, costs were scrapped as nuclear icebreakers and reduced the design of the current 300,000-horsepower vessel. The budget for the nation's \$1.1-billion icebreaker project offices now contain the paper carcasses of three complete ships. Documents obtained by Mac-

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McClog: now doubts after 15 years on the drawing board



Artist's rendition of proposed Polar 6 icebreaker; the *Manhattan* (above) off Gjoa Haven is expected to decide within weeks.

lean's under the Access to Information Act show that, since 1978 alone, the exercise has cost \$4,783,151.

The estimated \$450-million cost of the most recent Coast Guard design is only the first estimate. Ship specifications obtained by Maclean's estimate the annual fuel costs alone, measured in 1990-1991 dollars, at \$18 million to \$30 million. In current funds, the annual operating costs, including fuel, maintenance and the expense of a 116-person crew, are estimated at between \$35 million and \$40 million—an amount almost equal to the icebreaking and ship-sourcing budget for the entire existing Coast Guard fleet.

For the money, the government would be putting a ship with combined diesel-electric and gas turbine engines which could generate 181,000 horsepower and do the 27,000-ton, 184-m

truck, if it were approved, would go to one of three shipyards. Each of the three—Saint John Shipyards and Dry Dock Co., of New Brunswick; Verona's Davis Inc., of Laramie, Que., and

Venture Pacific Shipyards Ltd. of Vancouver—received \$450,000 in draft detailed construction proposals based on the Coast Guard design.

These companies, like the staff of the Polar Icebreaker Project, are anxiously awaiting a solid design. McClog, who has invested 12 years of his career designing a ship that may never leave the drawing board, acknowledged: "This is driving us round the bend, just sitting, waiting day after day after day." Then he added: "You would have to say, though, this is the closest we have ever been."

—KEN McQUEEN in Ottawa



design and did not include firm cost estimates. But members of an independent committee established by the transport department concluded last December that any of the three could be built more cheaply and quickly than the Coast Guard's version. Bill Williams McClay, program manager for the



Vander Zalm and Lt.-Gov. Rogers (left) at swearing-in. Swearing and learning.

A promise of honesty

It took just three hours to bring down the curtain on a political regime that had governed in British Columbia for most of the past three decades. Last Wednesday at 10:45 a.m. William Richards Bennett, 64, resigned after 18½ years as premier. His father, the late W.A.C. Bennett, had been premier from 1952 to 1970. As William Bennett left Government House in Victoria after handing his resignation to Lt.-Gov. Robert Rogers, he stripped off his navy blue blazer in the 29-degree heat and remarked on his newfound freedom. "I feel like I don't have to wear this jacket any more," he said. Three hours later William Vander Zalm, who was a junior-level leadership racer on July 30 to succeed Bennett as Social Credit party leader, was sworn in by Rogers as the province's 25th premier. Following the five-minute ceremony, Vander Zalm promised an "open and up-front" style of government. Said the mild-mannered religious theme-park owner, 52: "I can't promise you perfection. I know well the

males, but they will be honest errors."

From Bennett, the new premier inherited an array of pressing economic and political problems. Among them was a threatened strike by provincial civil servants; a 12-per-cent unemployment rate; and faltering business confidence. To familiarize himself with the challenges, Vander Zalm spent the week attending briefings with cabinet ministers and bureaucrats.

A personal priority for Vander Zalm, who took the Social Crediters in 1983, is winning a seat in the legislature. Although he has not yet decided where to contest a by-election, Vander Zalm says he prefers the vastest South Peace River riding in northern British Columbia. His optimism widened last week when two of Bennett's ministers, Municipal Affairs Minister William Mackie and Agriculture Minister Thomas Waterford, announced their resignations. Righto, one of Vander Zalm's II leadership opponents, said he would like to stay on as the minister for Central Fraser Valley until the next

cabinet, but offered to step aside if the new premier wanted to run in a by-election there. Waterford said he would resign his seat immediately.

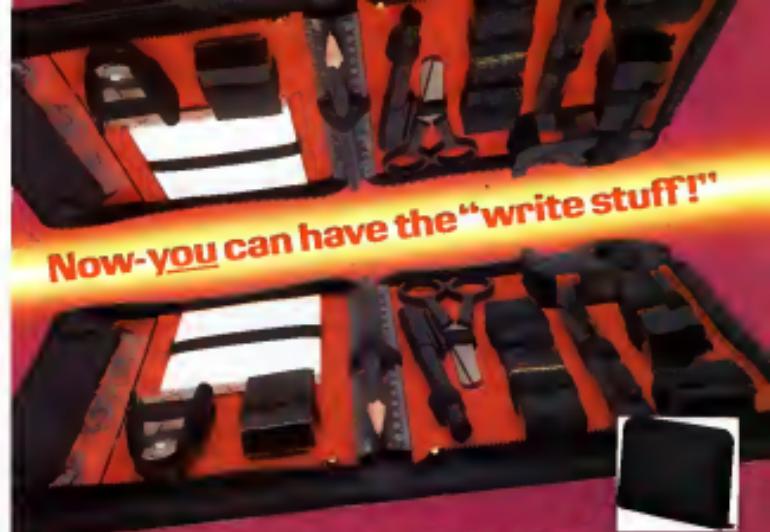
Before announcing a new cabinet late this week, Vander Zalm planned to attend a meeting of Canada's provincial premiers in Edmonton. As the newest member at the table of 10, he decided to take his experienced minister with the Attorney General Brian Smith, who finished second in the leadership balloting, and Gordon Gardner, master of intergovernmental affairs. Vander Zalm said that in Edmonton he would support federal efforts toward a new trade agreement with the United States. He also said he would join the other premiers in seeking a compromise with Quebec on the demands for signing the Constitution.

Vander Zalm, who is 10 years ago and it would cost him sleepless nights if Quebec were to separate and later sing a song referring to then-Quebec premier René Lévesque as "a frog," said he expected to become "the best of friends" with Quebec's current premier, Robert Bourassa. He added that he planned to take French lessons. At the premiers' conference, he said, "I will be listening and learning."

In choosing his cabinet, Vander Zalm faced a delicate task. Before he became leader, he said there were "no prearranged deals" to trade government jobs for leadership votes. But former Bennett aide Bill Smith, for one, gave Vander Zalm an important assist with a dramatic decision after the second ballot to throw his support behind the eventual winner. Vander Zalm must also guard against alienating key members of the Bennett government who will be crucial to party unity. During the campaign, prominent Social Credit members Shirley Rogers and James Nielsen said they would have difficulty serving with Vander Zalm. Later, however, both said they would serve if approached.

Vander Zalm, whose outspoken style often provoked controversy when he arrived in Bennett's cabinet from 1975 to 1983, said that as premier he will try to foster social unity by consulting frequently with business, labor and community leaders. He also vowed that his government would set high moral standards and promised to bring in tougher government conflict-of-interest guidelines. However, Vander Zalm admitted when asked about the fate of cabinet ministers implicated in a series of controversies—some of them involving conflict of interest—during Bennett's time. Said the new premier, a fundamentalist Christian: "We must let bygones be bygones."

—JANE SEARA in Victoria



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Anger over a wheat deal

Pearce farmers, whose traditional concerns include the weather, wheat-eating grasshoppers or the overstratified railroads, face major problems from a new source. Washington. Last week many western grain farmers expressed anger at President

it doesn't sit well at all with us."

Washington's decision to offer subsidies to the Soviet Union was a direct result of the decline in international wheat prices. This year, because European producers were offering lower prices than the Americans, the Soviets



Grain elevators in Alberta; Mayor (below) asking aid to ease a crop-price squeeze

Ronald Reagan's decision to offer as well as much as four million tons of subsidized wheat to the Soviet Union. Saskatchewan Wheat Pool president Ted Turner described the decision as "a blatant attack on Canada." Other grain industry leaders said it would buster the recent demand by international grain growers and hurt already weak price sensors. Said one source: Mr. Lee Clark of Manitoba, chairman of the Canadian agriculture committee: "If we do nothing, the destruction in our rural communities will be unbelievable."

Many farm organizations, grain companies and Prairie politicians are seeking help from the federal government. Said Murray Cormack, chief executive officer of Manitoba Pool Elevators: "Our [initial] move is to have to consider some form of financial assistance if we are going to avoid a major shake-out in the industry." The pressure for aid will intensify this week when the 18 premiers meet in Edmonton for their annual conference. Western premiers said they were determined to have agricultural issues discussed at the conference. Declared Saskatchewan Premier Grant Devine: "Economically and politically

bought only 150,000 tons of the 4 million tons of wheat they had agreed to purchase annually from the United States under a 1980 contract. As a result, Reagan approved subsidies of about \$13 a ton on the remaining 3.5-million-ton line. Legislation now before Congress provides for further subsidies to the Soviet Union and China until 1986.

Prime Minister Brian Mulroney and his Australian counterpart, Robert Hawke, both attacked the subsidies. The decision also led to a sharp debate within the Reagan administration itself. Secretary of State George Shultz said American taxpayers would be making it possible for a Soviet思索者 to buy American-produced food at a price lower than an American housewife. But Reagan was clearly responding to strong pressure from Republican congressmen failing reelection this fall in grain-growing Midwest farm states.

Impact of the U.S. subsidies had been exaggerated and that traditional markets for Canadian wheat remain firm.

Most experts say that the only long-term solution for grain farmers' problems would be to end the aid and to

the price war between the United States and the European Community, both of which pay huge subsidies to their farmers. Moreover, Canada's agricultural subsidies last May in Tokyo at the annual economic summit. He received only vague assurances from the Americans and Europeans to discuss the issue further at September's meeting.

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PAUL KERSEY with IAN KESTEN in Washington, DALE BREWER in Winnipeg and DALE HEDLER in Regent

most industry analysts say that the U.S. measures will push down grain prices. The price paid to Canadian farmers, they say, has already dropped 19 per cent this year and now could fall another 10 to 30 per cent. For Canada, which exported 17.5 million tons of wheat in the last crop year, 30 per cent of it to the Soviet Union, the latest price drop could mean a loss of \$480 million.

To help farmers, Ottawa paid out \$200 million from the Western Grain Stabilization Fund in April. Now, many grain industry groups are demanding that Ottawa provide deficiency payments to cover the shortfall between the international price of wheat and farmers' production costs. But the government has so far refused because of the high cost involved—up to \$3 billion for this year alone. What Board Minister Charles Mayer told MacLean's last week is that Ottawa will not make a decision about deficiency payments at least until it can assess the full harvest. Mayer acknowledged that the outlook for Prairie farmers is "not rosy," but said the U.S. subsidies had been exaggerated and that traditional markets for Canadian wheat remain firm.

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Indeed, the discussion led to a sharp debate within the Reagan administration itself. Secretary of State George Shultz said American taxpayers would be making it possible for a Soviet思索者 to buy American-produced food at a price lower than an American housewife. But Reagan was clearly responding to strong pressure from Republican congressmen failing reelection this fall in grain-growing Midwest farm states.

Under the direction of my neighborhood president, Robert White, the car has devoted three full-time organizers and recruited dozens of volunteers from the Michelin plant. Last week the union had established offices at the plants near Granton, Bradyswater and Waterville, and horseback riding led by local horsemen. White conceded that it was "a difficult challenge," persuading the workers that joining a union was in their interest. Said the leader of the 140,000 member car: "If a majority of the Michelin workers are not interested, we'll put

Accounting on the stand

Drama was not expected when a chartered accountant took the stand at the judicial inquiry investigating conflict of interest allegations against former cabinet minister Sinclair Stevens. But last week the evidence prompted a call for his resignation from Parliament and an angry resolution from the embattled MP's attorney. At issue was testimony that Stevens, who resigned as industry minister on May 12, discussed the affairs of his companies with a chartered accountant while he was in the federal cabinet—and when his holdings in several companies were in a blind trust.

Mel Leidman, a chartered accountant who audited several of Stevens' companies, testified that he met twice with Stevens and his wife, Marion, at their home, while Stevens was industry minister to discuss the shaky finances of York Centre Corp., the family holding company. Previously, Stevens's wife, Shirley Walker, testified that she continued to provide private business consulting to Stevens after she passed his ministerial staff. The gadfly states that there is "no direction from or control by the public office holder who has placed the assets in trust." In response, Stevens told the House of Commons, "I have complied with the provisions of the conflict of interest code for public office holders."

Leidman testified before Ontario High Court Judge William Parker that he and the Stevenses conferred in March, 1986, and again last April on strategies for restructuring the company. Later Leidman Justice critic Bob Rae, Kaplan and MacLeod, his law firm, told the inquiry he should resign in light of the conflict between what he told the House and what seems to be the truth." Stevens's lawyer, Jim Segal, was convinced that Kaplan, a lawyer, made his statement "not only before the witness is cross-examined, but before the accused gets a chance to give his evidence."

Indeed, Leidman later testified that much of the discussion during the first meeting centred on concepts for reorganizing companies rather than specifics. Then, however, counsel David Scott noted that Leidman's records from the second meeting showed that transactions related to GII Construction Ltd.—a private Stevens firm that is not required to publicly report its finances—were included in the discussions. Stevens may take the stand to explain his case later this month. □



Michelin workers at Grantron plant: "a throw in the side of the labor movement"

Labor resumes the battle

The Nova Scotia pavilion at Vancouver's Expo '86 proudly displayed the first radial tire made in Canada. The tire was produced by the Michelin Canada Ltd. factory in Grantron, N.B., in 1971. Since then, the factory has become the focus of a long and bitter galloping battle by Canadian labor. Even as the first tire went on public display at Expo on Aug. 2, the Canadian Auto Workers Union (CAW) was launching the third major attempt in seven years to unions 1,300 workers at Grantron and in Michelin's two other Nova Scotia factories. The previous Conservative government passed controversial labor legislation in 1979 that made the union rights more difficult. Said one union activist, Alister MacLeod, who led an uncompromising \$300,000 organizing bid by the Canadian Labour Congress (CLC) last year: "Stevens at Michelin for me unless would be a great victory."

Under the direction of my neighborhood president, Robert White, the car has devoted three full-time organizers and recruited dozens of volunteers from the Michelin plant. Last week the union had established offices at the plants near Granton, Bradyswater and Waterville, and horseback riding led by local horsemen. White conceded that it was "a difficult challenge," persuading the workers that joining a union was in their interest. Said the leader of the 140,000 member car: "If a majority of the Michelin workers are not interested, we'll put

The bill is not the only barrier to organizing Michelin workers. The company pays above-average wages and has maintained a no-union policy. As well, the plants are located in rural areas where union traditions are not established. Michelin workers, said the car's MacLeod, "don't want anything to do with an international union." However, the CAW broke away from its American parent, the United Auto Workers, last September. "If there is any way of organizing Michelin," said MacLeod, "this has to be it."

—DOROTHY JONES in Halifax



The Commonwealth's Gandhi, Mulroney, (seated) Hawke, Mugabe and (seated) Thatcher, Pienaar and Kaunda. All

BRITAIN'S GOODBYE?

WORLD COVER

They posed for the usual photo-graphs—seven Commonwealth leaders sitting together on the ornate red sofa of London's Marlborough House, the grand 18th-century residence that serves as the organization's headquarters. After the meeting, the most eminent ended five hours later, five delegates even stayed the whole weekend to discuss the Commonwealth remaining as unified as ever. But neither the pictures nor the plenaries were convincing. At last week's special summit in South Africa, agreed, six countries—the leaders decided to impose 15 economic sanctions against the white minority regime. But the seventh and most controversial delegate, British Prime Minister Margaret Thatcher, agreed to only two token measures—and that, in her words, "only with reluctance." The British stand, said Zimbabwean Prime Minister

Robert Mugabe, left him "utterly dismayed and disintegrated." And Indian Prime Minister Rajiv Gandhi added: "Britain is not the leader anymore, not in the Commonwealth. It is compromised on moral principles for some reason."

The meeting brought to a head one of the most serious crises in the modern Commonwealth's 50-year history. But in one area the meeting was a limited success. Zimbabwean leader Kenneth Kaunda did not carry out his threat to withdraw from the Commonwealth over Thatcher's unimpassioned stance, avoiding the serious capture zone analysts had predicted. And the six countries—Canada, Zambia, Zimbabwe, India, Australia, and the Bahamas—imposed the punitive sanctions they threatened at a fall summit in the Bahamas last October, including bans on air links and agricultural im-

ports. The rest of the 46-nation group is expected to adopt at least the bulk of the package. Prime Minister Brian Mulroney, who won praise from black Africans for his pro-Springbok stand, even faced calls for Britain's mild measures—voluntary bans on new investment and the promotion of tourism in South Africa. Those emanations, said Mulroney, represent "some serious movement," which I heartily applaud.

Shattered. But the fact remained that Britain, which last year earned \$1.6 billion in trade, investment and services in South Africa, badly blunted the impact of the measures by refusing to accept most of them. That was a clear setback for Commonwealth countries, which will have to make significant economic sacrifices to impose sanctions. Mulroney said his government is only beginning to

calculate how severely Canada will be affected by its own sanctions, which are expected to take full effect by Oct. 1. But the harder hit will be the frontline states bordering South Africa.

SANCTIONS. Less than 24 hours after the London meeting ended, Pretoria's foreign minister, Roelof (Pik) Botha announced a series of countermeasures aimed at neighboring nations. And South African customs officials began stopping trucks from Zambia, Zimbabwe, and Tanzania for long border inspections to help implement a new levy on goods passing through South Africa to Zambia (page 22). Sadiq Al-Jazrawi, executive director of the South African Association of Freight Forwarding: "The screws are being tightened."

The outcome of the London meeting

and its opposition Liberal party, declared "Britain has lost the political and moral leadership of the Commonwealth. That leadership has now passed to Australia and to Canada." But that processvement may be premature. Clearly, the Commonwealth—using both the noun and the singular "British" verb—not only the white but sizable portion of the same as well (page 22)—is undergoing change. In recent years, the London government has aligned its foreign policy less with the aethetic club of mainly Third World revolutionaries and more with the European Community (EC) and the United States. Still, British officials deny that they have any intention of abandoning the organization their predecessors created. Lynda Carter, a minister of state in the British Foreign Office, called the organization "a family of

gold. Knaggerund coins. They also agreed to consider a list of "further measures" if a seven-member Commonwealth committee named the Executive Planning Group could not persuade the South African government to move toward ending apartheid. On June 11, the group reported back. Pretoria accepted the appropriate black representation and the Commonwealth should take "concerted action." The following day, South Africa declared a national state of emergency and began arresting thousands of people without charge.

But Thatcher continued to resist calls to impose harsher sanctions despite the fact that more than half of the Commonwealth countries protested her stand by withdrawing from the Commonwealth Games in Edinburgh, which closed two weeks ago.



Crossroads squatter camp outside Cape Town: Botha (seated) countermeasures aimed at neighboring nations

understood the extent to which Britain has drifted apart from its former colonies in the Commonwealth. As a result, a perceptible power shift is taking place within the association. In the words of one senior Canadian official, "Britain's participation is declining, and other countries are gradually coming into a leadership role."

Because of the sensitivity of the issue, the Canadian delegation to London was careful not to assert publicly that Canada would seek a more dominant role in the organization, perhaps in partnership with one or more of the other members. But David Steel, leader of Brit-

ain's opposition Liberal party, said: "That family, like any family, has its stresses and strains. But that family is one family, and it's long runts."

MILITANCE. The London showdown was the most serious step yet in a growing Commonwealth campaign against South Africa, where five million whites rule 35 million disadvantaged blacks and violence has killed more than 2,000 people over the past two years. At the October talks, Britain was the only nation to vote against the leaders of 10 nations, including Thatcher, imposed voluntary trade restrictions against Pretoria, including bans on government loans and sales

of British-owned mines to southern Africa by Foreign Secretary Sir Geoffrey Howe. But most South African black leaders would not even meet with Howe, and two weeks ago President F.W. de Klerk again refused to make any concessions, setting the stage for what promised to be a heated London showdown.

The Commonwealth leaders arrived in Britain hopeful that the Iron Lady would finally budge. A pre-meeting poll in The Sunday Times of London found that 65 per cent of British respondents were dissatisfied with Thatcher's handling of the sanctions issue, at least partly because she had isolated Britain internationally. "It is getting to her point," said one Canadian official. "Where Thatcher is going to have to act, if only to avoid domestic accusations of intransigence." But the



COVER

start of the closed-door session on Friday, participants said that Howe repeated a familiar British argument. He claimed that strong sanctions would easily punish blacks in South Africa and neighboring countries far more than the Pretoria government. He also said that there was the possibility of "secessor warfare" in southern Africa. On the other hand, according to one Commonwealth official, Malvern made a forceful presentation speech in which he said, "This meeting has nothing to do with balance sheets. It has to do with human dignity."

Planes down All seven leaders did manage to pass a five-day resolution declaring that South Africa had not made "adequate progress in dismantling apartheid." But at the Monday morning session the opposing positions quickly hardened. All the leaders except Thatcher agreed that Pretoria's intransigence left them no choice but to impose sanctions. Thatcher said that she still opposed a limited embargo but would adopt two limited measures "for the sake of Commonwealth unity." She also said Britain would accept any future decision to ban the import of South Africa's coal, cassiterite and asbestos. According to a Canadian official who attended the discussions, both Mugabe and Kaunda sharply rebuked Thatcher for insisting that her prime concern was the welfare of South African blacks, a position which Kaunda had earlier called "paternalistic." Said the Canadian official: "There were a few harrasps and moments of tension when the meeting could have turned into a shouting match."

After a working lunch at 20 Downing Street, Thatcher's official residence, the six leaders convened. Majoras, and External Affairs Minister Jim Clark to stay on for an hour-long private meeting with Thatcher and Howe. "There was one particular reason we were trying to get the British to agree to," Clark and afterward, "But they wouldn't change their position." That message was likely a bar on any links with South Africa, a concession which Australian Prime Minis-

ter Bob Hawke also tried to wean from Thatcher without success. During the closing afternoon session the leaders added three more. These were a ban on new bank loans, a ban on imports of armaments, coal, cassiterite and asbestos, and the withdrawal of all consular facilities except those dealing with a country's nationals. The commanding added that further unspecified sanctions could follow unless Pretoria acted "in a reasonable time" to release Nelson Mandela,

all proposed in the Bahamas, but in the London entrepreneurs the leaders added three more. These were a ban on new bank loans, a ban on imports of armaments, coal, cassiterite and asbestos, and the withdrawal of all consular facilities except those dealing with a country's nationals. The commanding added that further unspecified sanctions could follow unless Pretoria acted "in a reasonable time" to release Nelson Mandela,

the longer list of sanctions approved by the rest of the Commonwealth. "A lot of these countries have financial interests there," Thatcher said. "So it won't matter a penny pees to them." Howe added, however, that the Commonwealth "will not let us not make South Africa's mistake." If the world was to throw the book at South Africa, "said Howe, "South Africa would throw the book back."

Mugabe might share an disgruntled view by acting against British interests in southern Africa. He voted at one point to withdraw British aircraft to ensure to have landing rights in our country, or to occupy our territory?" At a press conference, Zambia's Kaunda accused Thatcher of "wingsplitting platforms, paid and the rest." But he said that he did not make good on

point. New Delhi Commonwealth summit. There, Kaunda and Mugabe led several African nations and India in condemning both the United States and the ex-Caribbean Commonwealth Islands which supported the invasion. These three Commonwealth countries have even squared off against other members in open combat. There were wars in 1965 and 1971 between India and Pakistan, which left the Commonwealth in 1971. And in 1978 Uganda invaded Tanzania, which resulted in Tanzanian troops overrunning Uganda a few months later and overthrowing its ruler, Idi Amin.

Widening Accounts of Britain's declining role in the Commonwealth may be exaggerated, but the British people do seem decidedly disinterested in the Commonwealth. According to a poll in *The Observer* newspaper last June, 59 per cent of British respondents were indifferent to the project of individual countries leaving the organization. And the bulk of the Commonwealth Games helped to transform apathy into outright hostility. In a *front page article* headlined, "Who the hell needs the Commonwealth?" the *Evening Standard* asked that the prospect of a split in the association was probably not alarm-

ing to Thatcher, the British vice-regal. And the London-based *Telegraph* declared in an editorial that Britain should no longer tolerate abuse from such "Afro-dictator systems" as Kaunda and Mugabe. Added the newspaper: "Why doesn't she simply tell the whole wretched pack of them to get lost?"

Those comments led inevitably to charges that the British attitude toward the Commonwealth countries is racist. Last week in London Gaitho told reporters that it was "very difficult to say" whether racism played a role in Britain's stance on South Africa today. But a senior Canadian official said: "Racism is an inescapable part of life in Britain today, and you can see how that influences foreign policy. Politicians know that there aren't many votes to be won by doing something that is only going to



Gold miners in Johannesburg: Bishop Desmond Tutu: "Britain is not a reader any more"



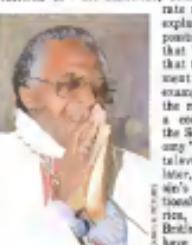
White Johannesburg housewife with black servant: "It has to do with human dignity"

mongomot expressed "concern and regret" that Britain had refused to accept the sanctions package adopted by the other six countries. In addition to banning arms, the promotion of local trade in South Africa and farm imports, the蒙古族 also intended to concentrate on new investments in South Africa or the re-exploitation of profits earned there.

Also at the first the summit, the蒙古族 announced the suspension of double taxation agreements with Pretoria, a ban on government procurement in South Africa and on government contracts with majority-owned South African companies. These sanctions were

the surprised leader of the African National Congress, and to drop its ban on the ANC.

Down to Piddling As Piddling was announcing the sanctions, Thatcher held a separate news conference to explain her own solitary position. She declared that "we can't claim that the British government is not setting an example," adding that the measures will "give a considerable jolt to the South African economy." In fact, she told a television interviewee later, because of Britain's close trading relationship with South Africa, soon the limited British measures would have more impact on



publicly at least, the Canadian delegates presented the strongest case for the most pointed fight. Majoras acknowledged that he was "less than sanguine about the Commonwealth option, but he insisted that the final communiqué represented "an impressive degree of unity." The Press Minister added, "There is little solace in this document for Pretoria." For his part, Clark told *Monkton's* "One of the strengths of the organization is that people's positions around the table are a little less conclusive than they are outside. The text of the communiqué could have been a lot more offensive than it was."

But the black leaders were less diplomatic. Mugabe's Mugabe said that Thatcher had become "an ally of apartheid," and he added that Britain's limited measures "amount to nothing, zero." Mugabe even said that

his threat to withdraw altogether from the Commonwealth, however unlikely, was the best possible fight. Majoras acknowledged that he was "less than sanguine about the Commonwealth option, but he insisted that the final communiqué represented "an impressive degree of unity." The Press Minister added, "There is little solace in this document for Pretoria." For his part, Clark told *Monkton's* "One of the strengths of the organization is that people's positions around the table are a little less conclusive than they are outside. The text of the communiqué could have been a lot more offensive than it was."

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Data blocks in northern Africa

Britain has also been drifting away from its Commonwealth partners economically. The share of British exports to Commonwealth countries dropped by 11 per cent in 1965 from 34 per cent in 1960. And Britain has grown increasingly dependent on the EC, which it joined in 1973. London contributes

rizes the policies of Western industrialized countries. And the Canadian government, by trying to negotiate a free trade agreement with the United States, has signalled that Canada's economic future will depend more on close relations with its southern neighbor than with the rest of the world.

"boasts the snooty" of the leaders they state. "After all," and the comment, "if you are president of Bear Loco, what else is there?" Much more in the domestic relationship Egon Santa, senior fellow with Carnegie Endowment in Washington, said the Commonwealth is unlikely to "come apart at the seams." Where could people like Kuanca go otherwise? There is a relationship there that is pretty important to some of them countries."

The association's meetings, held every two years, often produce agreement on nothing more than broad generalities, such as the need to reduce the risk of nuclear war. But the



THE COMMONWEALTH AND SOUTH AFRICA

ned Europe and the developing world. In 1973 Britain helped to ensure that exports from countries in Africa, Asia and the Caribbean were guaranteed access to Europe under an EC trade agreement.

Confidential British officials say that they are not alone in fearing political and economic ties with nations outside the association of ex-colonies, which can lead to conflicts with Commonwealth countries. The 13 African members of the Commonwealth are also members of the 54-nation Organisation of African Unity, which at a recent summit in Addis Ababa,

ing the regeneration into "an association for material distress." But the Lancastrian Financial Times, in an editorial last month, said: "The Commonwealth is a blessing to Britain because no other former imperial power—except the superpower United States—has a range of contacts around the world. Membership enables people to talk to each other in a way that they might not otherwise do." Sir Shashi Kapoor, the Commonwealth's Guyana-born secretary general, wrote recently to The Times that the association enlarges Britain's "role and influence in the world."

The Commonwealth is clearly valuable to its smaller members. One economic consultant to the Third World said that it is the most cynical statement he has heard in the discussion.

has made important political decisions, notably at the Lancastor summit in 1971 when Commonwealth leaders drew a glass under which Zimbabwe gained majority rule. Now, the organisation has taken on South Africa's apartheid. Gandhi and last week that he believed the sanctions package, despite Britain's limited participation, "will have a substantial propagandistic impact on South Africa". It has already had a substantial impact on the Commonwealth itself, touching off a bitterly-fought battle between the former and the latter over the proposed new currency. By the time the lighting is out, Commonwealth could be permanently altered.

AN IMPULSE FOR SURVIVAL

POWER

There were no features of meaningfulness.

Since its inception the Commonwealth's major official functions have been the conferences of heads of government now held every two years in different parts of the world. The next one is scheduled to be held in Vancouver in September, 1967. In its early days the Commonwealth was small and homogeneous enough so that the gov-

view of Germany has described Con-

Commonwealth conference as "time-consuming, tedious, plodding and exhausting." But at times, the group has resolved difficult issues. Seven years ago at the annual conference of Commonwealth leaders at Lusaka, the transfers of power from white to black in Zimbabwe-Rhodesia threatened to split the organization. But while many observers saw continued Commonwealth involvement as having little lasting effect, delegates to the 1979 conference managed to agree on a non-punitive plan that brought Rhodesia to full independence Dec. 31, 1980.

Assurances: As well, Commonwealth supporters point to achievements in aid and development. The Commonwealth Fund for Technical Cooperation (CFTC), set up in 1960, operates an annual budget of about \$45 million, more than \$17 million of which from Canada; civic funds have been used to sponsor trade fairs and surveys in order to help member countries develop export markets. Many Third World countries prefer to work with the CFTC rather than United Nations agencies because of their Commonwealth links and a common language.

As well, Britain, Canada and Australia channeled hundreds of millions of dollars in bilateral aid to individual countries whose membership in the Commonwealth assures them of preferential consideration. Last year alone, Britain provided \$862 million—over half of its total overseas aid budget—to Commonwealth countries. In the same year Canada contributed \$460 million to 37 of the member states. Of the total membership, 26 nations have populations of less than one million and rely mainly on the Commonwealth for aid and assistance.

While last week's London meeting of Commonwealth leaders on South African sanctions once again brought the future of the Commonwealth—and Britain's role in it—into question, some Commonwealth supporters played the argument over sanctions as only another event in the ever-changing history of the federation of nations. Said Sir Anthony "They don't solve everything, but they do pretend that there's something to say, and that must be all that matters. The future of the Commonwealth is in good hands, and I don't see any future of anything else."

Menzel and Rennhak (1991) also found no significant

Commonwealth leaders held their conference in a sitting room at 10 Downing Street, the British prime minister's official residence. Now, for a full Commonwealth conference, the leaders in a ballroom-sized meeting place share none of the magnificence, and the variety of ideologies represented means that they seldom attempt to agree more than general statements on social justice and economic development.

—BOB LEVINE with BOBBY LAFONT in London and
WILLIAM LOWMYER in Philadelphia



Traders on the South African Stock Exchange after the summit. Signs of dampening concern in the business community

PRETORIA'S DEFiance

COVER

In the face of mounting international pressure against South Africa's white-minority government, Foreign Minister Andre Malan's South African cabinet was openly defiant. Describing the enormous last week of new economic sanctions against Pretoria by Commonwealth leaders as "cynical, evil and a hysterical stampede," Malan said that South Africa will withstand any pressure to abandon apartheid. "We are prepared to accept a lowering of our standards of living," he declared. "We are prepared to make sacrifices we believe in." At the same time, the foreign minister announced some international measures, including Commonwealth nations' government by blacks. In the future, he said, costs that are shifted through South Africa will require import licenses. And at the same time, a tax will be imposed on the materials, and stricter border controls will be imposed.

The most direct impact was on Zimbabwe and Rhodesia, two countries that let the Commonwealth sanctions for sanctions and are already reliant on South Africa for trade and transportation links. Declaring the South African Foreign ministry: "We want them to impose total, comprehensive sanctions against this country." He claimed that full trade restrictions would force Zimbabwe and Rhodesia to "put their money where their mouth is."

Both received Zimbabwe's Prime Minister Robert Mugabe of hyperbole in calling for sanctions while relying on South Africa for 90 per cent of his country's imports. The political link between the two countries is so close that Zimbabwe's Finance Minister Bernard Chidzero last year described it as "an asphyxiated relationship." Both noted that even as Mugabe was criticizing British Prime Minister Margaret Thatcher for refusing

to agree to comprehensive sanctions, a Zimbabwe official was signing "important amendments" to a preferential trade agreement with South Africa.

Assassinations. The foreign minister also charged that other Commonwealth Commonwealth nations, ignoring Pretoria's programs for dismantling apartheid, had been motivated by self-interest. As he accused Australia and other countries that support sanctions of having a "hidden agenda" aimed at improving their own trade position, Botha said that the leaders of Zimbabwe, Rhodesia and Australia believe that by endorsing sanctions with the aim of destabilizing the present government and helping the banned African National Congress (ANC) come to power in Pretoria... they could gain economic benefits in the future. Said Botha: "Could it be that Mugabe was criticising British Prime Minister Margaret Thatcher for refusing

to impose sanctions?"

Meet with the ANC leadership as the marketing of ours in the future?"

The reaction from members of the South African business community to a banquet against the country's opponents of race, sex and class was one of shock and disbelief. Industry leaders said that thousands of jobs and billions of dollars worth of revenue were at stake. To offset the impact on South African workers, Botha last week estimated his threat to expel many of the two million foreign African laborers working in the country.

Consequences. One sector which is expected to suffer particularly sharply from sanctions is the fruit export trade, based primarily in the western Cape region. According to South Africa's Department of Plant Health, more than one million people living in Cape Province would be adversely affected by the foreign fruit boycott. An estimated 250,000 people are employed in the region's farming, canning and dried fruit industries. While South Africa exports 75 per cent of its fruit to 38 countries in the Far East and North America in trade valued at an estimated annual \$90 million and \$388 million. Only the western Cape region sends 85 per cent of its fruit exports to European Community countries.

Not all South African industry sources were pessimistic. Some of them hinted at contingency plans said to be already in place to deal with international sanctions aimed at both strategic minerals and air traffic. The plans include the use of foreign parts to disguise the origin of South African exports and the use of neighboring countries' airports to run shuttle services from within South Africa to connect with the international airways. But few details of possible sanction-breaking plans were offered as a cloak-and-dagger secret quickly disclosed. South Africa's Minister of Trade and Industries David Waller last week pointed his constituency out to give an interview on the nation's trade links. "If an economic war is to be waged against us," he said, "then we are bound, just as would be the case in other warfare, to become tactful about these issues, lest we jeopardize our own position."

As well, some industry leaders endorsed Prime Minister Botha's contention that sanctions are difficult to enforce. Mr Leslie Botha, the chairman of the British Industry Committee on South Africa (BICA), underlined

that point in Johannesburg last week. Botha told the Commonwealth Bloc countries he already began to teach British firms with offices in "shack door" ports for banned trade British businessmen who want to circumvent sanctions could reship goods to European destinations, then on to Eastern Bloc ports and onward to South Africa, he explained. The same route could work in reverse for South African exports to Britain, Europe or other Commonwealth countries. A BICA spokesman said that the companies approached so far have turned down the Communist Bloc offers but added, "We have been worried all along that a number of other companies will find it easier to get around the sanctions."

Whatever happens, South Africa's industries, many analysts say, that an international trade ban would disastrously cut the country's vital export earnings and increase the cost of whatever imports it could buy. To an economy al-

tereded at the London summit did not go far enough. In Japan, the disappearance of the massive haulage of Himalaya, South Africa's British Drydock Triton accused the leaders of Britain, West Germany and the United States of isolating Pretoria from the consequences of even tougher sanctions. "Unless the international community intervenes decisively on behalf of justice and freedom in South Africa," said Triton, "then we'll almost see Armageddon open up."

But other black South Africans took the opposite view. Chief Gwala Buthelezi, the leader of six million Zulus in South Africa's KwaZulu homeland, called for a broad consensus over the long-term effects of sanctions. "It's the worst thing that could have happened," he said. "It's a tragedy." Buthelezi, a critic of Pretoria's apartheid policies, said that there would be "terrible consequences" for black South Africans. "The threat of sanctions was always an important pressure on Pretoria to make political change and move ahead with reforms," he said, "but now that sanctions are in place, that pressure is gone and the government has nothing left to lose."

Warning. Many of Pretoria's white political critics also raised objections. Both the Nationalist government and those opposing sanctions are pushing the country further into the spiral of violent conflict," and opposition Progressive Federal Party member Harry Schwarz. His colleague, veteran anti-apartheid activist Walter Sisulu, said a Johannesburg rally last week that sanctions would only make the government more defiant. "Liberty is not around the corner," he said. "Whiteys got the government in power, and as it is up to whiteys to get them out. And as it is last week is the influence South African daddy Braamfontein Dax warned that "a government which yields to external pressure loses control of its future, and when in South Africa fire, nothing is more as a loss of control."

South Africa's end, commercial traffic into South Africa from Zambia and Rhodesia slowed to a crawl as South African customs agents conducted lengthy border inspections. Customs officials said that they were recently taking a statistical survey of cross-border movement, but their analysis said that the time-consuming checks were a sign of Pretoria's willingness to impose the breadth of sanctions on its neighbors. "The South African government may be ready to face sanctions," said one government source, "but it is a resilience born only of the realization that its back is against the wall and it has nowhere to turn."



Botha: We are prepared to make sacrifices!

recently faced by 20-per-cent inflation and massive unemployment—some officials put the number of unemployed blacks at 18 million—show the factors would be as major blow. The overall effect of sanctions, the analysts said, would be a short-lived loss of one to two years as local markets absorb some of the export trade and local producers try to fill the gap left in the import market. But, they add, economic stagnation would follow, setting off an escalation of political violence.

Still, others said that the sanctions

—DERRICK ECKHARDT in Cape Town

A TURNING POINT IN OTTAWA

DOVER

It took 18 frustrating days in December, 1986, for government leaders to arrange an hour meeting between Prime Minister Brian Mulroney and Nelson Mandela. According to a key United Church organizer, a jowly-faced official in Mulroney's office, aware of who the state was, protested that the newly elected Prime Minister had a busy schedule "and he cannot see just any visiting bishop that comes to town." Church leaders persisted, and the Anglican churchman eventually made his direct pitch for economic pressure on the apartheid regime. The encounter had a profound effect on Mulroney. Although he had paid scant attention to South Africa in the past, the Prime Minister instructed External Affairs officials to toughen proposals for sanctions that were announced during a July, 1986, cabinet meeting at Blue Commerce, Que. And he pressed the case against apartheid at both the Commonwealth conference in the Bahamas last October and at last week's special Commonwealth committee session in London. Both Canadian University political scientist Douglas Anglin, a specialist on southern Africa, said "Mandela was the turning point. Mulroney is both personally and politically committed to this issue."

Evolution Mulroney's commitment led him to side with the Commonwealth majority against Britain on the sanctions issue, enhancing Canada's standing in the organization. After the London meeting a senior Canadian participant said: "There has been an evolution in the leadership of the Commonwealth. Britain's role is declining and other countries are coming into a leadership role." Canadian officials in London staged a draft of suggesting that Canada is seeking the leadership. In Ottawa the Prime Minister's Office insisted that the government is not defining a new role for itself inside the Commonwealth. A

senior official stressed that Mulroney "firmly believes" that Britain should continue as the Commonwealth leader even though British Prime Minister Margaret Thatcher rebuffed the Commonwealth majority on the sanctions issue.

As well, the official said that Mulroney rejected the prospect of Canada, India and Australia forming a trimvirate leadership as an alternative to the Commonwealth.

Bonfire Despite Ottawa's caution about claiming a leader's place in the Commonwealth, the Mulroney govern-



Mulroney and Reagan campaigning for worldwide sanctions against South Africa's regime

ment's political authority is undertaken with actions as pressing President Ronald Reagan to impose tougher sanctions on South Africa. Because there was no unanimity on sanctions, said the official, "the idea in London of a powerful, globetrotting trimvirate has not been retained."

Ottawa's offend plan is to confine its activities to re-organizing sanctions policy. The government plan is do that with its five allies—Australia, India, the Bahamas, Zambia and Zimbabwe—in the special Commonwealth committee on South Africa which a Commonwealth meeting in the Bahamas established in October, and which then included Britain, Canada, Australia and India will monitor the economic plight of so-called frontier African states, including Zambia and Zimbabwe, in the wake of South Africa's

exit. A PMO official said that without Britain's participation the trimvirate lacks the political authority to undertake such actions as pressuring President Ronald Reagan to impose tougher sanctions on South Africa. Because there was no unanimity on sanctions, said the official, "the idea in London of a powerful, globetrotting trimvirate has not been retained."

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—MARY JANEAN in Toronto with
HILARY BAKER in Ottawa

Before the Bath

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After the Bath
by Paul Peel

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Rehnquist with wife, Maureen, at Senate hearings; Bork (below) on the record

THE UNITED STATES

A conservative on trial

When President Ronald Reagan nominated William H. Rehnquist to be the 18th chief justice of the U.S. Supreme Court two months ago, even critics of Rehnquist's unwavering conservatism predicted that he would receive the required Senate approval easily. The only shadow on the 61-year-old Justice's record seemed to be the fact that in December, 1981, he had been hospitalized—*at first secretly*—for a reported "psychotic reaction" to painkillers he had been taking for severe back problems. But it is not Rehnquist's health that has turned his confirmation hearings into the most bitter battle over the Supreme Court in nearly two decades. As the Senate judiciary committee prepared to vote on his nomination this week, the senators had to take into account testimony and documents that paint a startling portrait of the man who will likely head the nation's highest court.

That evidence asserts that Rehnquist has argued in favor of segregated schools, harassed black and Hispanic voters and brought two horses on conditions that specifically barred racial minorities or Jews. Most of that testimony was mobilized by Washington civil rights lawyer Joseph South. "It would be an obscenity to let this nomination go through unopposed," said South. "What we have here is a record

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of hostility to individual rights that should not be left in his hands."

Compared to the rancor of the Bork hearings, last week's congressional investigation of Judge Antonin Scalia—Rehnquist's other conservative nominee to the Supreme Court—was a model of civility. Senators applauded the fact that, as the son of a Sicilian immigrant, he is the high court's first Italian-American justice. That unanimous attitude was reflected in show that committee Democrats were not contesting Rehnquist's nomination on partisan grounds.

Scalia's record showed that he has consistently staked out conservative opinions as far right of the court's center as has Rehnquist. Although he has never ruled an abortion in his three years as a Washington federal appeals court judge, Scalia has written critically on the subject. In a 1979 article in the *Washington University Law Quarterly*, he also attacked affirmative action to employ minorities. But Scalia has been best-known for rulings giving a narrow interpretation of the right to free expression. In fact, only three days after his Supreme Court nomination, Scalia issued a 25-page appeal court opinion ruling that the U.S. government had the right to ban three Cassius Clay—including the Academy Award-winning documentary *If You Love This Planet*—political propaganda."

In his 15 years on the court, Rehnquist has consistently voted against abortion, affirmative action, school busing and freedom of the press, while championing school prayer and the death penalty. Some Democrats charged that his opinions put him too far out of the mainstream of American law to make a suitable chief justice. In 56 cases he cast the lone dissenting vote—including a 1980 case barring tax exemptions for private schools practicing racial discrimination. And he was one of two justices who opposed the court's 1972 ruling legalizing abortion. Warned Senator Howard Baker, president of the National Organization for Women: "He's a disaster for women."

But the most controversial testimony against Rehnquist was based not on his rulings

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But the most controversial testimony against Rehnquist was based not on his rulings

on his behavior prior to his court appointment. In 1952, as a young law clerk at the Supreme Court, he wrote a memo espousing the notion of "separate but equal" schools for blacks and whites. In his 1971 congressional hearings, the pro-segregation Justice Rehnquist denied him for the Senate. Senator Robert Byrd, not his own Rep. severely Jackson's secretary and confidante, Mrs. Eline Douglas, has charged that Rehnquist "assured the repetition of a great injustice." And Jackson's biographer also contends that the opinion was totally incompatible with a person who later joined the unanimous ruling prohibiting segregated schools.

Four witnesses also charged that after Rehnquist assumed private law practice in Phoenix, Ariz., and became a Republican activist, he tried to intimidate black and Hispanic voters attempting to exercise their franchise at polling booths after the 1962 Voter Rights Act. Despite Rehnquist's denial, both in 1971 and early this month, the city's assistant U.S. attorney at the time testified that he was called in to investigate complaints about Rehnquist's interference with the voting process. Added one witness: "I may not be able to define *intimidation* but I know it when I see it."

Opponents also produced copies of death as two houses Rehnquist purchased with clauses slating racist and anti-Semitic bias reflecting their resale. He argued that he was unaware of the "obnoxious" covenants and had left the transactions to his lawyers. But a letter to the justice from his lawyer at 1971—when he was already on the Supreme Court—specifically drew his attention to the anti-Semitic clause in the deed to his Vermont house. Civil libertarians were even more disturbed by what they described as Rehnquist's continuation of his own earlier narrowminded Rad. Rad. Justice Rehnquist has told some reporters.

Even though most of the committee's Democrats conceded privately that Rehnquist was likely to withdraw information from the committee and leave the Senate as a whole or Sacramento, their aggressive questioning of Rehnquist succeeded in planting seeds of doubt in the process they also warned Bork about how close they would deal with any other conservative nominees to the high court. That warning came in a week when the President predicted to a Chicago audience that by the end of his term, his court appointments—amounting to no less than 45 per cent of the entire federal judiciary—would have a long-range impact on abortion and other key social issues.

—MARGIE MCDONALD in Washington

A senator under attack

North Carolina Senator Jesse Helms has long been a champion of right-wing causes. As a senior Republican member of the Senate foreign relations committee Helms has vigorously supported rightist governments abroad, including the military dictatorship of Augusto Pinochet in Chile, as hawkish socialist countries. He has clashed frequently with the state department over its policy of trying to induce Pinochet to hand over power to civilian rulers. But last week his close relations with Chile placed

In these defense, state department officials provided a Helms aide Christopher Maxton, with a classified document on Bork's death which had been clandestinely obtained by the Central Intelligence Agency from the Chilean armed forces. The report said that members of Chile's military had sent Bork to his death. The day after Maxton was shown the report, defense department officials told visiting deputy assistant secretary of state Robert Galloway that they were aware the CIA report had been given to the CIA without their permission. The CIA had



Below: A key exhibit in Chile, a CIA report and allegations of Bork's!

him under the shadow of an investigation by the FBI. Officials searching for a person who may have betrayed U.S. intelligence agents to the Chilean government found the 46-page official report and his staff. Asked about the investigation, the easily smirking declared: "It's ridiculous."

The investigation arose from a violent disappearance last month in Santiago followed by the death of CIA case-handlers U.S. citizens Rodrigo Rojas and Pedro Wagner. Both men had been Bork and a young woman during a general strike. The assailants then beat both people to death. Bork died five days later. The state department presented Bork's death and U.S. Ambassador Harry Barnes attended his funeral on Aug. 9. Helms, who was visiting Santiago at the time, publicly criticized Barnes, declaring that he had "planted the American flag" in the mid of Communism activity."

Since then, CIA officials had privately told congressional offices that vital intelligence contacts made Chile may have been compromised. Justice department officials added as an investigation could result in criminal charges if they can determine exactly who was responsible for the attack on Chile. Although government officials have not publicly implicated Helms, Maxton or any of the senator's other staff members, the Justice Department investigation is focusing on Maxton, according to White House officials. Declared the senator: "They are trying to silence me. The whole establishment, they wake up salivating. 'How can we get rid of Helms today?'

—WILLIAM LOWMEYER in Washington

Bridging the gap with Moscow

When Nina Fan waved farewell to her family at the railway station in the northern Chinese city of Harbin in 1953, she had no idea that it might be her last goodbye. Her Russian mother, whose Chinese husband had died, returned to work in the Soviet Union, taking two young children with her. Nina, then 25, decided to remain behind and work for the Chinese North Communist League. The Fan's were part of a Chinese-Russian community in northern China and the Soviet Far East who freely moved back and forth during the years of Sino-Soviet friendship in the 1950s. But after Peking and Moscow broke diplomatic relations in 1960, Nina stopped writing to her family in the Soviet Union, fearing that her letters might cause trouble for both herself and her family. But since 1982 China and the Soviet Union have taken cautious steps toward improving relations. Last week Soviet officials announced that Moscow was prepared to recognize China's position on the demarcation of their common border, a long-time subject of dispute. That has given hope to families like the Fan. And Nina Fan said that she has begun writing again to her family.

The Fan family's experience was one of many bizarre tragedies caused by more than 25 years of Sino-Soviet tension. The two nations, allies immediately after the Chinese Communists took over in 1949, broke a treaty of friendship in 1960 over ideology, foreign policy and their common border. They severed or largely reduced trade, cultural and family exchange. Their 3,500-km-long border was heavily fortified. Battles broke out in 1969 when Chinese and Soviet troops skirmished. But in 1982 both governments began a series of formal talks on improving relations and have since signed agreements to increase cultural and economic ties. Trade, valued at about \$420 million in 1982, is expected to increase to more than \$44 billion by 1990. Late last month the Chinese opened their first trade fair in Moscow since 1963.

Despite the warmer relations, the two powers remain divided over fundamental political

and strategic issues. China reacted coolly to a July 26 speech by Soviet leader Mikhail Gorbachev pledging to withdraw some troops from regions bordering China, including Afghanistan and possibly Mongolia. Western diplomats said that Gorbachev's speech was clearly intended to respond

along its border with China. The total about 700,000 troops there form about 27 per cent of the Soviet armed forces. As well, Western experts said that recent economic reforms by Chinese leader Deng Xiaoping reinforce Gorbachev's calls for an overhaul of the sluggish Soviet economy. Although Deng's reforms



Deng (Fan below) sleeps toward ending 20 years of Sino-Soviet tension

to what Chinese officials refer to as the "three obstacles" to improved relations—Moscow's military presence in Afghanistan, Soviet support for Vietnamese rebels in Kampuchea, and Soviet concentrations along China's northern frontier.

Gorbachev's announcement that some 6,000 troops would be withdrawn from Afghanistan was described by Chinese officials as an insignificant reduction in a Soviet force of 180,000 in that country. One foreign ministry official declared, "The key to a settlement of the Afghan question lies in the complete withdrawal of Soviet troops."

But Western diplomats said that Gorbachev's offer signalled at least a new willingness to continue improving ties with Peking. The Soviet Union has an expansive military investment

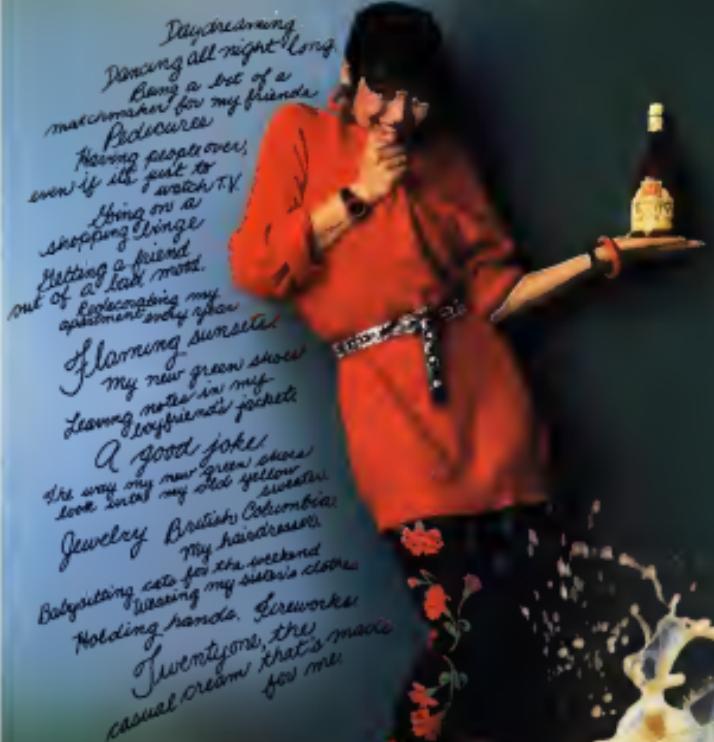
tent more toward individual enterprise than Gorbachev's Peter Petrowich. A Chinese professor of Soviet studies at Heilongjiang University in Harbin, told Maclean's: "The more China succeeds in its reforms, the more resistance will be felt in the Soviet Union."

Officials in Peking remain skeptical about the benefits that closer ties with Moscow would bring. The Chinese, whose army is backward and poorly equipped compared to Soviet forces, would welcome a reduction in Soviet troops on their northern frontier.

At the same time, neither Moscow nor Peking seems prepared to return to the state of confrontation that existed in the late 1960s. One result of the subsequent thaw is that many divided families on both sides of the Sino-Soviet border now have a reasonable chance for reunion in the future. For Nina Fan, it has encouraged her to plan a visit to her relatives in the Soviet Union next year.

—JAMES MITCHELL with DENNIE CHONG in Beijing

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British fans of American football at Wembley Stadium: a classic now mistake

SPORTS

Selling football over there

In the autumn of Wembley, Lords and Wembley, North American-style football has long been regarded as an oddity. But in 1982 Britain's independent Channel Four, competing for viewers with the public British Broadcasting Corporation, introduced American Football, a weekly one-hour program of National Football League (NFL) highlights. In four years the program's audience has grown from 1.8 million to almost 4 million. And last week at London's Wembley Stadium, the blinding grounds of what the world calls "Football" and North America calls "Soccer," 60,000 rain-soaked spectators cheered as exhibition games between the NFL Dallas Cowboys and the Super Bowl champion Chicago Bears sold out. Tom Head, a writer for *The Daily Telegraph*, "If you asked me, I would say that American football will never catch on over here. But I would like to think it might," he said.

The evidence last week was convincing. Tickets for the game, ranging in price from \$10 to \$40, sold out in two weeks. By game time on Aug. 3, soldiers were getting up to \$100 for prime seats. British sales of NFL franchised products—footballs to football gear—had already topped \$10 million. The first British team was formed in 1981, and there are now more than 300 organized into two leagues—the British American Football and Soccer League, sponsored by the giant U.S. Anheuser-Busch beer company, and the loosely sponsored British-American Football League. Two mostly football

magazines, Gridiron UK and Touchdown, are thriving, and the Canadian Football League is negotiating to sell a highlights package of this year's Grey Cup and a weekly highlights show. Brad Boss, Blackpool's editor of the 35,000-circulation Gridiron UK, "There is nobody who cannot see the contempt of it, and everybody wants a piece of it."

Tickets expensive, and the growing disenchantment with violence at soccer matches, has ruined the football industry. When the Bears and their 300-plus defensive tackle Wilber (The Refrigerator) Perry won the Super Bowl last year in New Orleans, the British TV sold 1.8 million, which had a billings of 20 million, did not renew its \$30-million three-year pact with the NFL when the league switched to a full schedule for 1983. The year's \$10-million British audience, and the 1984 Super Bowl, were not enough, and that it cost \$10 million to destroy the tour, by tying up the TV networks. But last month the six-member jury, while ruling that the NFL was guilty of antitrust violations, decided that the 1985 creation of new problems and awarded \$3 in damages.

At week's end, the league released its players. The stars will sign with the NFL, leaving the playing rights. The others will look for jobs in the NFL or the Canadian Football League. Brad Boss' coach Steve Sparrow: "It is like having a friend with a serious illness, and he finally passed away."

—RALPH QUINN with PHILLIP WINSTOW in London

Waiting for the wake

Harry Usher, commissioner of the United States Football League (USFL), awkwardly but accurately described the league's problem last week. Said Usher, "What we have is an impossibility at this time." After three Ingleses but expensive seasons and a protracted but unsuccessful抗議, visit against the National Football League (NFL), Usher announced that the 1986 season—already rescheduled from spring to fall—would be "postponed" until 1987. Tampa Bay Bandit Fred Bassett, one of more than 500 unemployed 1985 players, said, "What are they going to do, start it up again next Halloween so we can man-guarde as football players?"

Indeed, the league first appeared in the trappings of a ragtag league in 1983. Its lead Justice, star college players like Herschel Walker, were signed to multimillion-dollar contracts. But in those seasons, the league failed—as had the American Football League (AFL) and the World Football League (WFL)—because it...to win fans and US TV network programmers away from the NFL. The AFL, formed in 1960, merged 10 teams with the WFL in 1978. The WFL, formed in 1974, quickly faded in 1975. The AFL expanded to 18 teams in 1984. A year later there were 14 teams, and only eight took the field in 1985. In the three seasons the team count lost a total of 195 million.

Success binged on a U.S. network TV contract. The NFL's current deal pays each team \$14 million (U.S.) annually, \$80 million, which had a billings of 20 million, did not renew its \$30-million three-year pact with the NFL when the league switched to a full schedule for 1983. The year's \$10-million British audience, and the 1984 Super Bowl, were not enough, and that it cost \$10 million to destroy the tour, by tying up the TV networks. But last month the six-member jury, while ruling that the NFL was guilty of antitrust violations, decided that the 1985 creation of new problems and awarded \$3 in damages.

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—RALPH QUINN in Toronto with correspondents' reports



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Malcolmson (left), Stewart, Honrock (below): booming sales, aggressive lending and fears of the impounding bear market

BUSINESS/ECONOMY

Buying on borrowed cash

The 15-minute videotape features upbeat music, detailed charts, a laconic officer and confident executives extolling the rewards that can be had by borrowing money to invest in mutual funds. Distributed by Vancouver-based First City Trust Co. to help mutual fund salesmen sign up new clients, the sleek presentation conjures up an investor's dream: a man with \$10,000 borrows another \$10,000 and buys shares in mutual funds—a portfolio of stocks and other securities run by professional money managers. In eight years the investor's net worth jumps to \$14,200.

The tape underscores how easy it is—lending for up to 60 per cent of the amount that a client wants to invest in a mutual fund are "readily available" from First City. What's more, notes the narrator, "it's all handled by your mutual fund adviser. You never even have to go into First City office."

In the booming mutual fund market, such a hard sell is really not needed. Encouraged by the stellar performance of most mutual funds...as well as the easy financing available from some trust companies and banks—small investors have rushed to buy in aggressively.

Last week, in an effort to warn investors who may not be aware of the

dangerous of leveraging, the BIPC and the Ontario Securities Commission (OSC) staged a press conference in Toronto to announce new guidelines aimed at protecting investors. Starting on Sept. 1, most mutual fund salesmen will be required to give clients who are considering leveraged investments a two-page OSC disclosure document pointing out that "leveraged purchases of mutual funds involve greater risk than a purchase using your own resources." That requirement will apply to the estimated 75 per cent of fund salesmen who are either stock brokers or non-employees of financial institutions. As well, the BIPC announced that it would urge its members to use responsible recommendations of leveraged investments.

Leveraging has long been used by sophisticated investors to increase the potential profit of an investment. If an investor buys \$20,000 worth of stock—

half of it with borrowed money—and the value of the stock rises to \$25,000, the gain is 25 per cent. But his personal \$10,000 stake is now worth \$12,500—a 25-per-cent gain. By borrowing he has doubled the gain on his own money. There is also a tax benefit, because interest payments on money borrowed for investment purposes is deductible.

But what most people do not understand, the BIPC's Douglas explains, is that leveraged clients losses in the same way that double gains. If the same \$20,000 worth of stock declines in value to \$16,000, the investor—who still must repay the \$10,000 loan—seen his own equity fall to \$5,000. The typical result, however, is that

the stock market's volatility, Doug says, "means that you can't understand the consequences of leverage unless you're a stock broker. And I think stock brokers like Bill Wilcox, often don't understand the consequences of leverage unless the market goes the wrong way; he sells out, and in effect he has destroyed his equity because of leverage."

There are other pitfalls if the market turns down—reducing the value of mutual fund holdings—financial institutions are often quick to demand repayment of part or all of the loan. And because the lender holds the mutual fund units as collateral, he may sell them at depressed prices in order to recover the loan. Turning to the stock market downturn of 1982, Robert Stewart, chairman of the trust and president of Toronto's Dynamic Funds Management Ltd., said that "the first loans that are called are severely losses."

Officials with the OSC and the BIPC also said they were concerned about the aggressive lending policies of four financial institutions—the Bank of Montreal, the Canadian Bank of Commerce, First City Trust and Canada Trust Co.—which have set up special programs designed to streamline loans to borrowers who want to invest in mutual funds. Canada Trust will lend up to 75 per cent of the amount needed to buy into a mutual fund, while the Bank of Montreal will lend 100 per cent. One of these institutions, which the BIPC's Douglas declined to name, offers leverage on top of leverage. If an investor's initial fund unit rate is 100, he can borrow more on the basis of the new worth. Said Douglas: "What is even more risky?"

Another worrisome practice is that the borrower sometimes does not even visit the trust company or bank. Instead, the mutual fund salesman fills out the loan application and sends it on to the financial institution. The danger, according to regulators, is that mutual fund salesmen who earn commissions based on the size of the investment—may not aware of the risks involved in leveraging or may urge investors to borrow more than they can really afford. The mutual fund salesman, and Harry Malenovitz, the OSC's associate director, want ensure that the leveraging component of an investment is sensible.

year period, Honrock decided last year to borrow another \$20,000 to put into real estate. The entire amount of the loan was provided by the Canadian Bank of Canada. But Honrock, who said that he has repaid the \$20,000 of principal, says he is concerned that less affluent borrowers may be persuaded to take loans they cannot easily afford. Honrock: "These needs to be some control."

Financial institutions that have begun to specialize in loans for mutual fund investment defend the practice, arguing that strict borrowing requirements protect investors against ill-judged investments. For one thing,

all borrowers must still pass credit checks. Said the Bank of Montreal's Alan Taylor, senior vice-president and senior consumer credit officer in the domestic banking division: "The bank is trying to service its customers."

Darin Bradstreet, First City's vice-president in charge of marketing, said that borrowers must be able to repay loans from sources other than their mutual fund holdings. Bradstreet also defended First City's use of a videotape to promote leveraging. Consumer loans and car loans are also presented to customers in a very positive manner, she said. And it is not necessary, Bradstreet added, for a loan applicant to visit a First City office because "we do not have to see a person to under-

stand his creditworthiness."

For its part, the OSC, which has not ruled out imposing margin requirements on mutual fund leveraged loans if its efforts at voluntary self-regulation fail, will urge the Canadian Financial Association and provincial government authorities to encourage more restrained lending policies. One official admitted that despite minor stock market declines over the past several weeks, the commission has yet to receive any serious complaints from mutual fund investors. But said John Leybovits, the commission's deputy director for enforcement, "I am sure that if there is a major market correction we will have some complaints." Added the BIPC's Stewart: "It's the small guys we're worried about."

—MARK McGRATH and ANDREW SHOTWELL and
TERESA TECHECO in Toronto



STEWART



Douglas warning nervous investors about the dangers of "leverage"

Selling off a family jewel

For Bertrand Gisert, president and chief executive officer of Cadillac Fairview Corp. Ltd., the routine is sacred. Every morning Gisert rides his Vespa through several kilometres before heading for work at Cadillac Fairview's downtown Toronto headquarters. But last Wednesday, Gisert was forced to alter his ritual. The reason: he had convened a special meeting of Cadillac

to, and they are likely going to be able to sell it at a terrible price.

By week's end, a buyer for Cadillac Fairview has not emerged. The company is one of North America's largest office building and shopping centre developers, and its latest holdings include Toronto's Eaton Centre and the newly opened Promenade Mall in Mississauga. Yet Cadillac Fairview's

that CGF's decision to sell its Cadillac Fairview holding originated from within the Bronfman clan itself. Both Charles and Edgar have grown increasingly concerned in recent years that the family might lose control over Seagram, either through a takeover or through division of the family's interests. Said Donald Mindel, a vice-president of Bear, Steyer & Mayhew (Canada) Inc. of Montreal: "They may see the cash from the Cadillac sale as being much more of Seagram or they may look for new acquisitions."

Last year Mindel, who was then managing director of each cancer, sold up to \$6 million of her 57 per cent of Seagram stock. Since her death in July, 1985, Charles and Edgar have bought some of the remaining shares from her family trust.

As well, relations between the two brothers have been strained in recent months. Last March Edgar told *Fortune* magazine that he had designated his son Edgar Jr. as his successor. That brought a rare public rebuke from Charles, who reminded his brother that managerial appointments in a publicly traded company should come from the board. Said Andrew Bailes, a partner in Toronto investment counsellors Bailes & Zimmerman Ltd.: "There is no great concern within the family and many of its members want to liquidate their personal holdings."

One of the shareholders who stands to gain substantially from the sale is Leo Koller, the company's chairman, who is rumored to want to sell his 24-per-cent holding. Koller, a trusted family adviser whom former Prime Minister Pierre Trudeau named to the Senate in 1980, is vice-chairman of CGF Investments Inc., the family corporation which holds the Bronfman's shares in Cadillac Fairview. Samuel Bronfman founded for his four children—Charles, Edgar, Maud and Phyllis—Said Stephen Jankowsky, a Montreal investment counsellor: "Cadillac Fairview is the holding the Bronfmans were the least attached

real estate assets have a book value of \$3.7 billion—and are widely believed to be worth more as the open market. A spokesman for Toronto's Bronfman family, which bought off its holding company Olympia and York Developments Ltd. last year, suggested that it was interested.

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But many Bronfman watchers said

that a takeover attempt of their remaining family jewel.

—BRIAN WALLACE in Montreal with ANN BURGESS in Toronto



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Drilling for oil: a 10-day stalemate, a religious war and deep cutbacks

A turnaround for OPEC

For six years the war between Iran and Iraq has added an element of instability to the world's supply of oil. During the oil price plague of the past nine months, the religious and territorial feud has proven to be a major obstacle to attempts by the Organization of Petroleum Exporting Countries (OPEC) to reverse the decline through production cuts. Iran has consistently refused to participate in any oil production agreement unless it received payback for every one allotted to its foe, Iraq. At the same time, Iraq demanded freedom to pump as much oil as it needed to fuel its expansion war. But last week, in a tense overnight OPEC meeting in the Geneva hotel suite of the cartel's president, Bilewan Lukman, Nigeria's oil minister, Ishaq, put aside his political concerns, for economic ones, making a production cut feasible and stirring optimism in the world's oil-producing centers.



JOHN HORSE

million barrels a day from the current 29.8 million. The agreement allowed Iraq to continue pumping its current 1.8 million barrels a day. The nearly unanimous decision to reduce OPEC's production marked the return to the strict quota it introduced in Geneva two years ago. Said James Bamfield, vice-president of Cambridge Energy Research Associates in Cambridge, Mass.: "It is clearly a very important development—an important several for oil policy and a major victory for Iran."

The markets, from New York to London, reacted favorably to the accord. The day after the agreement, prices for North Sea Brent grade, Europe's benchmark, jumped to \$20 a barrel from \$12.60 a barrel.

But most analysts deemed the accord as a permanent revival of oil prices—down 50 percent in the past nine months. They estimated that the cutbacks would not restore prices to the \$40 range but would be enough to keep prices at about \$20 for the rest of the year.

In Alberta, despite that modest production cut, about 700 oil industry workers

protested at rallies outside Calgary's city hall and the Alberta legislature in Edmonton. They vented their frustrations over what they said was government inaction during this year's oil-price crisis. Most of the participants who joined in the procession of trucks and rig-mounted vehicles also expressed concern about whether oil members would honor the agreement. Said Thomas Lester, manager of crude oil affairs for the Independent Petroleum Association of Canada: "I am skeptical about how long spot and future prices will stay up. The time the price has been run up is huge."

In the United States, industry executives said that while the cartel's cutbacks will not resolve the hard-hit southwest region overnight, they were an encouraging sign. Added John Ryan, senior energy analyst with Dallas-based Radian Energy Futures: "It is volatile, but everyone down here is the oil patch is a bit relieved we did not get kicked in the groin again."

The new accord is expected to absorb some of the oversupply that has caused the price of oil to drop to \$12 a barrel from \$40 a barrel during the past nine months. The current oversupply of oil was engineered by Saudi Arabia in an attempt to gain a larger market share for OPEC by driving non-OPEC producers out of the market through overproduction. But as the price continued to fall, smaller oil-producing OPEC members began calling for steeper quotas of about 34 million barrels to restore prices to the \$40 range by year-end.

So far, some non-OPEC countries appear to be falling in line with the cartel's strategy. Mexico announced last week that it would reduce its oil exports by 10 percent to 1.4 million barrels a day. Egypt and Malaya, which produce 11.600 barrels a day, both announced that they would reduce their output but did not indicate by how much. But Britain, one of the largest non-oil producers, the United States and Canada say they will not cut back their production.

By week's end, the early euphoria had turned to a cautious hope that cartel members would not abandon these self-imposed cutbacks before the oil ministers meet again in Geneva on Oct. 6. Analysts said that the success of the recent cut agreement would influence the next round of negotiations between the cartel's members. Said Ryan: "We will see several weeks before we even know if this new effort will work." Just for some resource-starved oil nations, the temptation to cheat on their quotas may prove too great.

—THOMAS THIBERIO with JOHN HORSE in Calgary, DAVID LINDSAY in New York and MICHAEL JONES in Paris

Declawing a military lion

Levi, the name of a sleek, swooping fighter-bomber, remains a byword in Hebrew. With a prototype already built, the Levi is intended as a fast and potent weapon for Israel's air force in the 1990s. But recently the soaring fighter's lineage appears to be fading, which is about \$1.25 billion, mainly from U.S. defense aid, has already been spent. As a result, it has provided a fierce counterweight that threatens the Levi's future. Powerful critics in the United States and Israel say they are concerned that the cost of producing 200 Leviyot will soar well beyond Israel's original estimate of \$80.2 billion, comprising the country's defense spending until the turn of the century. The influential US

At the heart of the issue is a dispute over the real costs of the Levi originally conceived in the late 1970s as a low-cost, workhorse replacement for Israel's own F-16 fighters and its fleet of aging American A-4 Skyhawks, the Levi changed in design five years ago when air force commanders demanded a more sophisticated aircraft.

The redesigned Levi that rolled out of the Ben-Gurion airport hanger of the state-owned Israel Aircraft Industries near Tel Aviv last month is a far more expensive and technically advanced fighter-bomber. Scheduled to have its first test flight in October, the Levi is equipped with state-of-the-art electronic sensor devices designed to put it past hammers of Soviet-



Levi fighter in Tel Aviv: a confrontation between Congress and the Pentagon

aerospace industry, which views the Levi as a potential international competitor, has also agreed to lobby the Pentagon to force the Israelis into concluding the program. As a result of those combined pressures, sources within President Ronald Reagan's administration confirmed last week that the Pentagon has launched a study of the Levi's skyrocketing costs as an effort to persuade the Israelis to alter—or even abandon—the costly project.

The dispute over the Levi may lead to a confrontation between Congress, where there is wide support for the Israeli venture, and the Pentagon, as chairman of the multimillion-dollar U.S. aviation industry. In Israel itself, the future of the Levi has become a critical political issue for Prime Minister Shimon Peres' shakily coalition government, involving both national pride and the country's continuing efforts to strengthen its high-tech industrial base.

half surface-to-air missiles. said Tom Wermuth, an Israeli politician who commanded the Israeli air force in the early 1980s. "We set out to build an Austin Mini, and we have ended up with a Cadillac."

Over the past decade cost projections have doubled. While Israeli officials originally envisaged a fleet of fighters costing only \$6 billion each, they now estimate that the advanced fighter-bomber will carry a \$25.3-billion price tag. With the cost of spare parts, maintenance and development included, Israeli officials estimate that such planes in the planned 200-strong fleet will cost \$67.6 million, for a total of \$20.8 billion.

But U.S. military analysts say that the final bill will be even higher. According to a study by Dr. Zocherman, an undersecretary in the U.S. defense department, the basic cost of the Levi will reach \$38.5 million per plane, with

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the total cost of the program rising to at least \$984.4 billion, or \$94 million per plane. Zarifian claims that the Israelis have seriously underestimated labor and inflation costs.

Israeli planning for the Lavi also assumes that U.S. assistance will remain at its current level of about \$6 billion annually through the next decade. But U.S. treasury sources predict that total American aid could shrink to \$3.7 billion a year by 1986 because of efforts to reduce the U.S. Federal deficit, which the Congressional Budget Office last week predicted would reach \$229 billion in 1987. According to Lavi critics, that would leave Israel only \$897 million a year for defense procurement at a time when the 10-year Lavi production program—to begin in 1988—will be costing \$75 billion.



Kenneth A. Nichols

has assured. Said a high-ranking Israeli army officer: "If the Lavi flies, then they will be great."

In July, Senators of State George Shultz and Defense Caspar Weinberger both wrote to the Israeli government to complain that Washington was being "misled" in its attempts to discuss alternatives with the Israeli government. Pentagon officials claim that an Israeli plan to export the fighter to Third World countries in order to recover costs is not realistic because many potential customers are Islamic and Arab nations, and their allies which refuse to buy Jewish goods. There is also concern that countries such as Argentina may choose to purchase the Lavi instead of American-made planes.

But the Lavi has the support of in-

tellectual congressmen, among them California Democrat George Miller, Levine and New York Republican Jack Kemp. In July, Rep. presidential candidate who is seeking Jewish votes in his home state, The Lavi, Kemp declared last week, "is of major importance to Israel and the decision to produce it should be made by Israel alone, without pressure from U.S. business interests." Menachem Arens, a former Israeli defense minister who is now a senator without portfolio in Peres's government, added that it is politically impossible for Israel to scrap the Lavi. Declared Arens: "It is just too deeply embedded in the Israeli economy, in Israeli society."

When the Pentagon study is completed by early November, Israel will be offered several alternatives to the

Lavi, an administration source said last week. One main option now under discussion involves the purchase of an existing and less expensive American aircraft modified to include Israeli weapons systems. General Dynamics Corp.'s F/A-18—currently being used by the Canadian Armed Forces—is expected to be put forward by the Pentagon as aircraft that could be modified for Israeli use. A second option is a co-production agreement with a U.S. manufacturer to share the actual building of the Lavi. Source close to the Israeli Embassy in Washington said last week that Israel had abandoned its original refusal to consider scrapping the Lavi and would give serious consideration to the Pentagon's proposals.

Arens predicted that the Lavi will eventually be grounded. "I don't know if a single one," Arens said, "when our aircraft has been developed that is one of the best in the world and won't get into production." He may regard Avro Arrow fighter, which the Conservative government of Prime Minister John Diefenbaker canceled in 1959 because of mounting costs and—according to some experts—pressure from the United States to buy American weapons. If political and economic forces prove to be more important than Israeli pride, a similar destiny could await the Lavi.

—MARK NICHOLS with WILLIAM LOWTHER in Washington and DAVID HERZBERG in Jerusalem



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Life after Drapeau

Flaunted by the success of Expo 67, Montreal Mayor Jean Drapeau attempted another coup shortly after the world's fair closed on Oct. 25, 1967. According to his plan, landmarks such as the U.S. pavilion's gaudier dome would become part of a permanent exhibition and provide what Drapeau described as "the greatest manifestation of universal culture ever staged anywhere at any time." But Man and His World, as the exhibition was called, consistently failed to attract the crowds he had anticipated. And last week, a month and a half after Drapeau had said that he would step down as mayor in November, municipal officials began tearing down free pavilions—having recommended demolishing all 18 deteriorating structures on St. Helen's Island. In the end, only the dome may remain as a reminder of Drapeau's triumph in 1967.

For Montrealers such as Paul Auclair, newspaper editor, independently minded and one of Drapeau's most tenacious critics, the scheduled transformation of St. Hel-

en's Island into a grimy park has sparked aversion. Declared Auclair: "The Expo site was a key part of my grand dreams for the city. And now we begin an era without either the man or the dreams—and maybe will pass that."

Drapeau's most lively assessors say that they will abandon the most characteristic features of his administration: grand projects and a practice of making important decisions in secret. To that end, after Mayor Jean Drapeau, the 48-year-old leader of the opposition Montreal Citizens' Movement (MC), and Claude Drapeau, 54, the mayoral candidate of Drapeau's ruling Crédit Party, have pledged to make city hall more open. Drapeau has endorsed such measures as allowing citizens to pose questions during council meetings.



Paul Auclair

But Drapeau cited his three decades of electoral success (a 1967 loss was his only defeat for the mayoralty) as proof that voters supported his vision of Montreal. Declared the mayor: "I have always believed the citizens would rather trust in their elected, informed representatives and leave matters to them." But opponents such as Auclair and 38-year council veteran Michael Faucher argue that public participation in civic affairs is essential. Said Faucher: "In terms of how naturally the decision-making process is, we are half a century behind the rest of North America."

As the end of the Drapeau era approaches, the retiring mayor insists that he does not want any commemorative statue—and Montreal already has several concrete reminders of the Drapeau era, including the city's subway system, Place des Arts (the city's art centre) and a major-league baseball team. Instead, the National League's Expos play their home games in the still-modest stadium built for the 1976 Summer Olympics—Drapeau's most controver-



U.S. pavilion during Expo 67: a manifestation of universal culture?

cial and expensive accomplishment. Drapeau has foisted 1976's assertion that "the Olympics can no more have a deficit than a man can have a baby." Montrealers will pay interest-only taxes for another eight years to retire a deficit of as much as \$3.6 billion which the games incurred. As a result, Drapeau, a bilingual mechanical en-

gineer, has pointedly opposed several recent Drapeau-style proposals, including a radio tower on Mount Royal. Meanwhile, the city's Dore says that the 18-year-old party—a coalition of neighborhood citizens' committees, New Democrats and Parti Québécois supporters—no longer has such one-time objections to free unlimited pub-

lic transit. The MC will unveil its election platform next month, and it will include such low-budget items as a city-wide network of bicycle paths and fluoridation of Montreal's water supply—a measure Drapeau has opposed for years. Dore added that further economic development would be his chief priority. Declared Dore: "No one argues that Drapeau loves Montreal, but he abrogated his responsibility to provide economic leadership."

Still, Montrealers have not adjusted to civic politics after Drapeau. Although a poll conducted by the respected Public Opinion Research Centre and released last week showed that the MC enjoyed a healthy 15-per-cent lead over the Civic Party in its attempt to form the next administration, the poll, with a four-per-cent margin of error, also revealed that 44 per cent of the 800 voters surveyed two weeks ago had not decided on a mayoralty candidate. Said Auclair: "For many people, it is like leaving home. Suddenly, no one is there to make decisions for you anymore." But clearly class has run out for the pavilions on St. Helen's Island—and Jean Drapeau, 71, and in declining health, evidently sensed that it was time to lessen his iron grip on Montreal.

—ANTHONY WILSON-SMITH ■ Montreal

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A family torn by murder

Greed, drugs, murder and vicious family feuds are staple elements of many popular prime-time soap operas. Indeed, several freelance TV scriptwriters were in the packed courtroom in Fort Myers, Fla., last week for the dramatic scenes of a real-life drama which surpassed television's most



Benson (right) at the time of his arrest: Scott's debts and cocaine addiction

sensational offerings. After a three-week trial that exposed the secrets of the mix, a jury of 15 women and two men found Scott Benson guilty of murder. As the 35-year-old Benson sat impassively in the wooden witness box, the jury forewoman distanced him from guilt by killing his mother, Margaret, and his nephew, Scott, and wounding his sister, Carol, last year in a bid to gain control of a \$95-million tobacco fortune. The jury recommended that Benson serve a life sentence in prison, but Circuit Court Judge Hugh Hall could send Benson to the electric chair when he passes sentence next month.

The tale of murder and mayhem began on July 8, 1985, when twin blazes shattered the morning calm of Quail's Nest, an exclusive housing estate in the elegant resort city of Naples, 60 km south of Fort Myers, on Florida's steaming Gulf Coast. Two bombs triggered by the gunfire of a 1938 Chevrolet Suburban wagon parked in the driveway of the family's \$400,000 refitted home killed heiress Margaret Ben-

son, 63, and her grandson, Scott, 10, but 49-year-old Carol Kendall escaped from the back seat before the second bomb exploded. And although scarred on her feet and neck, the former beauty contestant survived to become the key witness in the state's successful prosecution of her brother.

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When she spoke to investigators last winter, Carol Kendall harshly criticized her son, saying, "Scott always gets these real smooth girlfriends who take advantage of him and he lets people talk him into things." But she insisted that her brother Steven was responsible for the bombings. She testified that Benson had arrived at their mother's house insisting that the other family members accompany him on a car trip to inspect some nearby real estate. Then, recalled Kendall, Steven returned to the house as his nephew slipped behind the wheel of the station wagon and turned the ignition key. Kendall said that she managed to throw herself out of the vehicle's open door after the first bomb exploded, and she testified that her brother did not try to pull the victims from the burning wreckage. Said Kendall: "I saw Steven come out of the house and into the driveway. He looked terrified, and I couldn't understand why he was running out so fast."

From the testimony of both prosecution and defense witnesses, the Benson appeared to be a family presided over by a mother who freely indulged her seven children. Margaret Benson provided Scott with a \$7,000 monthly allowance to pursue his interests in fast cars and bland girlfriends. And Steven Benson—described by his lawyer as a wild-eyed, petulant teenager—emerged as a man who was deeply jealous of his nephew's fair and colorful lifestyle. An disclosure of those intimate details irritated the sun-drenched connoisseurs of southern Florida, the founder of the Lancaster Leaf Tobacco Co. (the Pennsylvania firm that formed the basis of the family Benson) made his only appearance at the trial last week. An ex-smoker near his grandson's place at the defendant's table, 88-year-old Harold Hitchcock declared: "The loss of money is the root of all evil! I guess I didn't do a good enough job teaching that to my children."

—MALCOLM GRAY with correspondence
regarding

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A boom in the books of the profits

What has a book attracts enthusiastic amateur even before its publication date, it seems that the publishers may be on to a trend. After *The Financial Post* weekly began publicizing its upcoming book, *The Financial Post Selects the 100 Best Companies to Work For in Canada*,

sales are up 200% and MBA programs at Simon's School of Business Administration at Queen's University in Kingston, Ont., receive roughly 300 applications per year for 180 places. And the graduates of the programs are hungry for information about their chosen field. Meanwhile, the odds are

deal with such subjects as income tax credits and stock market strategies have been popular. What is surprising in the market for ambitious dramatic studies of executives, corporations and issues that affect the world of business? Anna Porter, president of Toronto-based Key Porter Books, credits the



Toronto bookstore: Penguin's advance was the largest yet paid in Canada for a non-fiction work by a Canadian author.

Post reporter Sue Lason, one of the three authors, started receiving phone calls at home. Indeed, one MBA student who had read about the book's March, 1988, release called Lason at 8:15 a.m. one day to ask her advice on choosing between job offers from two banks. The demand for help through the corporate jungle has turned 100 Best Companies, now in its fourth printing, into the best-selling Canadian business release of the 1988 spring season, with 22,000 hard-cover copies. Following closely are other books that explore the corporate universe and its environs. Brad Nick Harr, managing director of William Collins Sons and Co. Canada Ltd., which published 100 Best Companies, "The market for good business books has grown significantly. If a book is good, word travels very quickly."

There are many reasons for the bullish market for insights into the world of managemaking. Competing for

making the once-dry subject of business more accessible and easier than before, stimulating the market further as a result, were authors who attracted to the field. When the award-winning film *I Copper & Lybrand* and the Toronto-based business weekly *The Financial Post of Canada* organized the first National Business Book Award competition, held in June, 1986, precisely that was the case. The 1988 spring edition of the 1988 spring season, with 22,000 hard-cover copies. Following closely are other books that explore the corporate universe and its environs. Brad Nick Harr, managing director of William Collins Sons and Co. Canada Ltd., which published 100 Best Companies, "The market for good business books has grown significantly. If a book is good, word travels very quickly."

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increasing popularity of business writing to a shift in attitude. She said: "It used to be that people would never think of telling you how much money they made. Now it happens all the time. Money-grabbing has become respectable."

Business books are such hot property that new partnerships have formed in the publishing world to generate them—and to split the costs. In 1986, the publishing house Collier and the Phoenix, The Worldwide Journal Press in English, Public Money, *Portrait* of the Times edition, Toronto Coronation and staff writer Linda Black, who was on account of the Crown, Bowring and Government trust company collapses, The Times invested money in the project and paid the writers' salaries while they worked on the book. In return, all the royalties went to the newspaper rather than to the authors.

This year Collier published *The 100 Best Companies* in a similar collabora-

tion with the French chief competitor, *The Financial Post*, owned by Maclean Hunter Ltd., which also publishes Maclean's. Until the 1970s few Canadian business books achieved best-seller status; sales of more than 5,000 copies in hard-cover then, in 1972 Peter G. Newman transferred business writing into his business by profiling the country's corporate elite in *The Canadian Establishment*. The book took off, attained best-seller status to become part of the national vocabulary. It has sold more than 250,000 copies in hard-cover and paperback. Newman, Maclean's senior contributing editor, says: "I wrote it to attract the fans of the rich and powerful. Popular books as the Beecham Family of Montreal, Toronto financier Conrad Black and, in 1986, in *The Aquarian*, the second volume of *The Canadian Establishment*.

By the early 1980s the stock of other business writers also began to soar. Among them were Peter Porter, who wrote an all-industry exposé, *The Blue-Eyed Sista*, and Walter Stewart, author of *Towers of Gold: Port of Clay*, a book about Canada's five most powerful banks. Meanwhile, American importers also traded brashly across the continental border of the chairman of the Chrysler division of the Canadian branch of the company. He said: "It used to be that people would never think of telling you how much money they made. Now it happens all the time. Money-grabbing has become respectable."

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tion with a Canadian author of nonfiction, to write a two-volume history of the Hudson's Bay Co. The first volume, *Empires of Adventure*, appeared last fall and has already sold 150,000 copies worldwide. But it has also generated a critical storm. Historians who specialize in far-trad studies have charged that Newman's book is inaccurate, and that it sentimentalizes the relationship with First Nations peoples of northern Canada and of traders' social relations with native women. For his part, Newman dismissed the criticism, saying that audiences are quick



Porter, Porter: Money-grabbing has become respectable.

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These titles represent major movements, and publishers will be nervously watching fall sales to determine if the business market has already peaked. Morton Mietz of Penguin Books Canada says that his firm is committed to publishing a minimum of ten business books a year, but he acknowledges that "the basic books in business have been published." Arthur Porter still yearns from the fact that *Other People's Money*, the 1983 book on Dunn Petroleum, shared the best-seller, and the market, with Jim Lyon's *Boone: The Rise and Fall of the House That Jack Built*, a book on the same topic. Because Canada has a limited pool of business subjects, Porter warns, the book publishers "might be overproducing."

But others maintain that public demand for business books is strong enough to support the industry's expansion. Indeed, says my an interest in enterprise is part of the national character. Billie, who is now writing a book that describes as a history of Canadian business "from the for the trade is free train" declared: "In Canada, we have been plagued by an excess of entrepreneurialism and the sort of people who have persuaded us to build more railways than we could use, or convinced the government to pour money into Bechtel or Dome Petroleum. We Canadians have a promotional mentality. And this means the business book publishers are poised to cash in on the public interest in capitalism."

—PAMELA YOUNG is in Toronto

Corp., has sold more than 2.5 million hard-cover copies worldwide, including 125,000 in Canada. And the managerial guide *In Search of Excellence* by Thomas J. Peters and Robert H. Waterman Jr. has sold 1.2 million hard-cover copies worldwide and 77,000 in Canada.

Such figures have convinced Canadian publishers to risk ever-larger stakes. In June Toronto Globe and Mail reporter Linda McQuaig received the largest advance ever paid in Canada for a non-fiction work by a first-time author: \$300,000 from Penguin Books Canada Ltd. to write about the fairness and efficiency of the nation's tax system. The author herself said that she had "no idea" her in-progress work would sell for such a high figure. She added, "When I realized how much interest there was in the book proposal, I was really thrilled."

Penguin also gave Newman \$200,000, the largest-known advance ever af-

In a TV's 1965-70 series *J. Drexon of Jerome*, Barbara Eden had to wear high-heel boots because network policy prevented her from showing her bare feet. Eden finally had her entire widow's peak shaved off during her role as the 5,000-year-old goddess in the TV film *J. Drexon of Jerome: At Home Later*. The 51-year-old actress and singer, who recently celebrated a man as the lead in *South Pacific* at Toronto's Elgin Theatre, recalled that when costar Bill Daily came onto the 1985 *Jerome* set, "He looked at me in my revealing little pink gown outfit and sang the theme song from *The Twilight Zone*."

With-born *Barbara Eden*, who began her career as the rascally new James Bond in *The Living Daylights*, scheduled to start shooting in October on Sept. 6, is best known as a Shakespearean stage actress. But recent screen roles indicate that she is well suited to play the debonair 007. Dalton,



Andrew Wyeth's Son Andrew

28, played the dashing Prince Raava in the adventure-fantasy *Mr. Flash Gordon* and a hasty series bout on *reunited* the TV mini-series *Shiva*, starring Jean-Claude. And last week he began taping *Brenda Starr*, a movie based on the comic strip, which plays *Brenda Starr* in the title role and Dalton as her elegant and mysterious suitor, Budd St. John. As Dalton noted, "James Bond is a long way from Shakespeare, but so was *Flash Gordon*." As for the adventure from *Shiva* that comes with the Bond role, Dalton declared, "I look on that with a certain enthusiasm."

Worth seeing: Barbara Eden of the way, *Zsa Zsa Gabor*, 61, will marry number 8 this month. In a ceremony in a stable at the house she's fixed in Brewster-

gate, N.Y., she will wed George's Private Frederick von Anhalt, *The Duke of Saxe*, 65. The couple chose a stable for the wedding because Gabor said, they both love horses. Asked to share her secret for attracting men, Gabor said, "I cook. I am a friend. I love animals. I am a pal, a mother, a sister, a lover." As for what she does about her fiancé, Gabor said: "He fills the house with red roses. And he buys me green peppers and salmons at the supermarket."

Victors watched her grow up on the TV series *One Day At A Time*. Now *Valerie Bertinelli* is 35 and starring as the ambitious Maria in *The Take* Mopshouse, a new TV mini-series based on the Judith Krantz best-seller. It is being filmed this summer in various Toronto locations—including Madam's editorial offices. Bertinelli is married to rock star Eddie Van Halen ("you know—the one with the hair longer than mine"), but added that "all the drugs and partying on the rock scene went out of fashion with all the social diseases that are coming in." Still, she says, drugs have never played a big role. "In my family, it was 'Lookit Valeria, use your head!'"



Dalton playing 007

For 15 years Andrew Wyeth, 68, secretly painted and hid away 180 works whose subject was a beautiful blond woman. Last year he revealed their existence to the Institute, his wife of 46 years, Betsy James Wyeth. He also talked about the paintings and drawings, an obsession that last September's *Art & Antiques* magazine said that he did not want the paintings to be seen "until I'm dead." But last week more details surrounding the collection came to light. *Leonard Andriano*, who bought the collection for an undisclosed millions, described the artworks as stunning and unusual and he told

Moscow's that, with the works, Wyeth had gone into "a totally different dimension." Later, he allowed some of the works he had in his home to be photographed. Associated Press published a photograph of the up-and-coming *Sophie's Choice* author of *Audrey And Anatole's Secret* depicting one of the paintings, *Portrait of Helga*. By week's end USA Today had identified the subject of the works as Helga Teiviori, a longtime neighbor of the Wyeths. John Sheppard, director of public relations for the Brandywine River Museum in Chadds Ford, Pa., where most of the collection is stored, said that speculation as to whether or not Teiviori was Wyeth's mistress is "pure drivel." Sheppard added that he had talked to Betsy Wyeth about the situation and that "she just laughed. She's not easily thrown."

—Edited by MARY MAYER



Gabor: growing up matronly and aging her head

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Comfort and domestic joy

HOME: A SHORT HISTORY OF AN IDEA

By Witold Rybczynski
(Prager Books, 256 pages, \$19.95)

During Witold Rybczynski's architecture student days in Montreal, he recalls that only one of his teachers mentioned the subject of comfort. Significantly, a mechanical engineer rather

than a professor of architecture addressed the issue—in a lecture on air conditioning and heating. Later, as an architect and architectural professor at Princeton and McGill, Rybczynski declared that comfort was an "essential" to the study of architecture. A switch to modernism, Rybczynski's *Home: A Short History of an Idea*, is an erudite, six-chapter book. But already its message is sounding the anomaly between the modernists and the traditionalists—particularly because Rybczynski asserts that modern architects, preoccupied with abstract functional design, have created a "tropism in the evolution of domestic comfort."



Madame Boucher by François Boucher; Rybczynski themes a place for repose

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It has taken centuries for the current notion of comfort to evolve. In early times the average home—a single large room, in which all household cooked, ate, slept and worked—lacked a place for private repose. By the 17th century Holland's small, snug households featured private rooms which en-

joyed only slatted, but also "faffing," wooden seats that teachers, needed to sit on the students' traditional appearance. In the middle of the 18th century, however, Rybczynski claims, comfort appeared in the form of a "few chairs" that critics have lauded as classics of modern design. Although he uses 1850s Harter chairs—also known as Biedermeier chairs—he avoids sitting in them. He argues, in that those furnishings, he says, in that "people have come to the point of associating comfort with appearance." In his new book, *Home*, in which he discusses domestic comfort, he notes that there is "something charmingly naive about this belief in the power of art to overcome physical reality."

Born in Edinburgh to Polish parents and educated in England and Canada, Rybczynski received a bachelor of architecture from Montreal's McGill University in 1966 and a master's from the same institution in 1972. He worked with architect Moshe Safdie on Expo 67's prefabricated apartment complex, Habitat '67, now known as Safdie's Centre for Minimum Cost Housing. Rybczynski claims responsibility for the first streets from scratch, native to design modern, affordable housing. His career job, which often takes him to other countries, leads him to "question the architectural assumptions of his own country."

But at one time his faith in the prevailing values of Western architecture was strong. Declared Rybczynski: "I admired all the modern architects, especially for their idealism and single-minded sense of purpose." But he points out in *Home* that while buildings in the modern "rigged郊居 style" were respected, they were not loved. Indeed, he argues, that 20th-century life, with its fast pace and its emphasis on instant gratification, makes it difficult to achieve domestic comfort. Said Rybczynski: "In the modern world we havedecorators to create comfort in a quick way. But it is something that must be produced over time. Comfort has become a luxury—not because it's expensive but because achieving it takes time."

—PAMELA TUCKEY

—T

A rebel in the parlor

He is a professor of architecture but his culture and technology have influenced people's surroundings. But author Witold Rybczynski, 43, says that the only truly comfortable "chairs" he owns are the seats in his car. He adds that he has had "spite bitter personal experiences" as the owner of a few chairs that critics have lauded as classics of modern design. Although he uses 1850s Harter chairs—also known as Biedermeier chairs—he avoids sitting in them. The problem with those furnishings, he says, is that "people have come to the point of associating comfort with appearance." In his new book, *Home*, in which he discusses domestic comfort, he notes that there is "something charmingly naive about this belief in the power of art to overcome physical reality."

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—PAMELA TUCKEY

—T

Grand finales to a Stratford season

CYMBELINE

By William Shakespeare
Directed by Joyce Plakffe

A MAN FOR ALL SEASONS
By Robert Bolt
Directed by Walter Lessing

In completing its summer schedule with Shakespeare's *Cymbeline* and

Robert Bolt's *A Man for All Seasons*, Canadian Stratford Festival displays considerable artistic nerve. The Shakespearean work—a dark tale of war and betrayed love—is a long, difficult play to stage considering several scenes of dubious dramatic merit. And *A Man for All Seasons*, which debuted in 1960, has not aged particularly well. Its account of the moral struggle of Sir Thomas More, chief adviser to King Henry VIII, now seems ponderously history. Still, Stratford's current version of both plays ultimately retains sufficient heights.

Cymbeline is the more spectacular of the two shows. Robin Phillips, directing his first play at Stratford since he retired as artistic director in 1978, expertly stages the four acts in a dark, sparsely decorated room east. Although he has been praised for the company acting, his principal strategy has been to ask Stratford's renowned production staff to produce a sumptuous atmosphere and often massive military props. These tactics, coupled with the energetic pace of the production, turns *Cymbeline* into an epic spectacle whose sweep engulfs an entire world, heralding to disaster.

Phillips's decision to set *Cymbeline* between 1608 and 1609 gives the play a startling relevance. The troops who invade King Cymbeline's domain wear the blue-grey uniforms of Hobson's Fawcett division. Bentle Mossell's army, Gloucester's war machines underlie the sense of doom that bleeds through the play. At the end, a huge canon dwarfs Cymbeline (Eric Doolittle), his court and the army, steadily roasting their woe of peace and reconstruction.

This is her husband's beheaded body lying beside her. Unbelievably, Birna fails to bring credible feeling to that overwrought episode. She is in far more effective in the play's drawn-out finale, in which she and her husband, Lear II, the true star is the villain, Iachimo (Colin Peacock), an English playboy who tries to destroy Posthumus's faith in Imogen by seducing her. With sweeping self-sacrifice, Posthumus abandons her to a yellow bathrobe, the very essence of a dead man roughly plucked from himself.

By contrast, it is a good man who dominates *A Man for All Seasons*. The play, directed by Walter Lessing, focuses on Henry's attempts to rid himself of his wife, Catherine of Aragon,

who has failed to provide him with a male heir. His chancellor, Sir Thomas More (William Hurt), resents his wife's devotion because it runs against the teachings of the Roman Catholic Church. Playing a man torn between his king and the dictates of his own conscience, Hurt gives a mannerly performance. But in the play's latter half, when More is imprisoned and facing certain death, Bolt's script becomes abstract and intellectual, and Hurt's approach turns cold.

Among the other actors, Douglas Campbell is heartily satisfying as The Conqueror More—the obviously robust brother, boorish and vulgar who comments directly on More to the audience. But several of the other performances in both *A Man for All Seasons* and *Cymbeline* lack the poise and vocal skill that such traditional plays demand. That shortcoming suggests a lack of depth in the company—a problem that must be solved if Stratford is to maintain its reputation as North America's premiere classical ensemble.

—JOHN EDMORE

MACLEAN'S BEST-SELLER LIST

Fiction

1. *A Perfect Spy*, Ian Currey (U)
2. *The Bourne Supremacy*, Ludlum (U)
3. *A Matter of Honour*, Archer (U)
4. *Act of Will*, French (U)
5. *Power of the Truth*, Barth (U)
6. *Last of the Breed*, L'Amour (U)
7. *Wanderlust*, Stein (U)
8. *I'll Take Anything*, Arnould (U)
9. *Red Sons Rising*, Cleary
10. *The Eighth Commandment*, Soule (U)
- Nondrama
1. *Fatherhood*, Cooper (U)
2. *FBI for Lovers*
3. *Domestique and Diamond* (U)
4. *The Education Diet*, Knott (U)
5. *100 Best Companies to Work for in Canada*, Penn, Ferry & Lyon (U)
6. *Jeanne Heurtel's Dog Stories*, Heurtel (U)
7. *The Fall of the Roman Empire*, Lerner (U)
8. *Book Hustlers*, Hill Story, Hodges and Gosselin (U)
9. *Incarnations*, Foster (U)
10. *Cabinets*, Franklin with Sutcliffe (U)
11. *Walls & Edward*, Letters 1930-1937, edited by Black (U)
12. *Prisoners Just Lost*



Diana, Fassina: an entire world hurtling to disaster



Ed Broadbent's amazing recovery

By Angus Reid

On the past two years Ed Broadbent and the federal New Democrats have staged one of the most remarkable political comebacks in recent Canadian history. Eclipsed with near obscurity following the resignation of Pierre Trudeau (when the polls put them at a meager 11 per cent¹ of the decided total), the NDP gained an impressive 19 per cent of the popular vote in the September, 1984, election. They have since moved to the mid- to high 20s—only marginally behind the Tories, who have been in a free fall for the past year.

What is especially surprising about the NDP comeback is the party's growth in support in Quebec and Atlantic Canada, regions where New Democrats historically have had problems finding candidates to run. Since the last election the NDP has shown consistent gains in Quebec, even surpassing the PCs in most recent polls. In Atlantic Canada the performance of the NDP has been equally impressive. Although it is always difficult to predict how many actual seats standings in surveys will yield in an election, party insiders talk confidently of winning as many as 20 seats east of the Ontario-Quebec border.

The NDP's performance in the polls has led some political observers to ask what additional gains the party's dynamics and its political profile can achieve if its current support will hold up in an actual election contest. Is the trend casting an in the mother stamp that has affected the Tories—as some critics argue, it is easy to say that you will vote for the wiz if you know there will be no election—or are we witnessing a more basic transformation in the political alchemy?

There is much to support the argument that the NDP gains are more substantial than illusory. According to a Reid poll conducted in June, Ed Broadbent enjoys considerably higher levels of popularity than do other New Democrats or John Turner—especially among undecided voters.

The NDP itself is no longer viewed as a fringe group of Communists and radicals. Only about one in five Canadians say they would never vote for the NDP—only marginally higher than the number

who say they would never support the Conservatives. In addition to the 27 per cent of decided Canadian voters who say they would vote wiz, another 23 per cent say the new Democrats are their "second choice."

In Quebec the decline of the Parti Québécois movement has left many voters with centre-left leanings in search of a non-liberal alternative such as the wiz. In other parts of the country, Ed Broadbent and his party are attracting support for other reasons: high unemployment rates outside of Ontario, a consistent position on issues such as free trade and the prospect of further provincial gains in British Columbia and Saskatchewan.

The single most important reason for the levels of support, however, has less to do with the performance and policies of the wiz than voter antipathy toward the other two parties and their leaders.

Is the NDP simply cashing in on a Tory slump, or are we witnessing a basic transformation in the political alchemy?

The Mulroney story is well known. Voter inflation in his government skyrocketed from support of the 20-per-cent mark in late 1984. Over the next year the inflation gave way to disappointment, with a corresponding slide in the polls. In 1986 disappointment is being replaced by anger, and they suggest in opinion surveys has plummeted to the low 20s. Early this summer almost 60 per cent of Canadians express disapproval of the way Mulroney was handling his job.

The John Turner story is only now emerging. A June poll conducted by CROP/Euroscope suggests that with Jean Chretien as leader the Liberals would enjoy 46 per cent of the popular vote—up almost 20 per cent from the current level. The question that generates that answer has been critical: is Turner and his leadership in the same parlous position that Turner himself enjoyed and, after all, he says he does not intend to seek the leadership?

Little attention has been given to the other story—the dependence of the NDP on the fate of the Liberal leader-

ship review. The crip poll question using Chretien as Liberal leader puts the wiz back in the basement at 22 per cent, only marginally better than their level of support in the last election. A Reid poll conducted earlier this summer shows similar results when Chretien's name is used. Whether or not Chretien decides to return, both polls indicate that when choosing between the wiz and the Liberals the public is immune to the luster of leadership.

Just how sensitive is illustrated by a further question included in the Reid poll. It tests the popularity of the three parties by rounding voters who currently leads each of them. Responses to that question yield a virtual three-way race, with the Liberals at 34 per cent and the wiz and Conservatives both at 33 per cent. This suggests that the wiz could do very well against the Liberals under Turner and may be poised to break the 20-per-cent barrier in popular support for the first time in its history.

Whether they will actually achieve that level of support will depend on the public's perception of John Turner over the next three months—particularly at the Liberal convention in November. So far, in spite of generally favorable media reports, Turner still gets a lukewarm response from Canadians. He is trying harder than ever, speaking more clearly than ever, and is knowledgeably on the issues. But he is dogged by the memory of a Bay Street lawyer who carelessly brooked the pretensions of average Canadians.

An Liberal datapoint perhaps later this year will tell us if and when one of the most important and voting issues they have had to confront this century will stay with their leader in spite of the tabloids associated with his right-of-centre image? Will they tolerate a blackmark as they grasp at the ghost of left-wing populism embodied in their memories of Jean Chretien? Or will they suffer emotional and intellectual paralysis as they ponder the tantalizing contradiction between the two central tenets of spiritual leader Keith Davey—keep to the left but don't criticize the leader?

Looking down from the bleachers will be Ed Broadbent and his associates from the almost-extinct opposition party. In an ironic twist of fate, the wiz's place in history may ultimately rest on the definition of a group of hard-core Liberal supporters.

We talked and talked...
and never ran out of things to say.



Allen Fotheringham is an executive

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